

5 Gulf States Plan Cut in Oil Prices

By Thomas Thomson
Reuters

RIYADH — Five Gulf oil-producing nations agreed in principle Wednesday to cut prices, and they threatened to use their economic might to force OPEC to accept a new price structure at emergency talks next week. No specific price cut was announced.

Speaking after talks here on the growing threat of a world price war, the Saudi oil minister, Sheikh Ahmed Zaki Yamani, said he and his colleagues from Kuwait, Qatar, Iraq and the United Arab Emirates had agreed to a cut in OPEC's \$34-a-barrel reference price. He did not explain how the size of the cut would be determined.

Industry observers had been widely predicting that the Gulf

countries would cut their prices by at least \$4 a barrel, but statements made here Tuesday by the ministers indicated they were split about whether there would be a cut.

The Emirates oil minister, Mana Said al-Qutiba, said Wednesday that the Organization of Petroleum Exporting Countries would meet next week either in Geneva or Vienna. He warned that the Gulf states would cut prices further than intended if the 13-member group failed to agree on price reductions.

The official Kuwait News Agency quoted Sheikh Yamani as saying the Gulf states would not enter into a price war but would use their influence on other producers.

"We have ample weight and power to make the others think twice before waging a price war

against us," he told the agency. Saudi Arabia is the world's leading oil exporter.

Sheikh Yamani said Indonesia had agreed by telephone to accept the accords hammered out here in two days of talks. He said the oil ministers of Libya and Venezuela were flying in to consult.

The latest OPEC crisis was sparked by Nigeria's unilateral decision to break away from the OPEC standard by reducing the price of its high-quality crude oil by \$5.50. The move followed a recommendation by the British National Oil Corp. that North Sea crude be cut by \$3 a barrel.

Prices on the spot market weakened in recent days in anticipation that the Riyadh meeting would result in a specific cut in the price of

Gulf-produced oil. But the meeting's outcome left European oil traders confused, and some said they expected the uncertainty to push spot prices even lower.

"What we were looking for from Riyadh was action, not words," a London trader said.

The Gulf states, and particularly Saudi Arabia, have seen their production badly hit in defending the \$34 benchmark. Sheikh Yamani said Wednesday that his country's output had fallen from a 1979 peak of about 10 million barrels a day to less than 4 million barrels a day.

Gulf analysts said Sheikh Yamani had been hesitant about curbing the price of the kingdom's light crude, which is used as the OPEC benchmark, for fear of sending prices tumbling, which in turn could threaten the solvency of

some oil companies and banks with big loans to oil-producing nations.

The worldwide recession and growing use of alternative energy sources have pushed demand for OPEC crude down to about 15 million barrels a day from around 31 million a few years ago.

Faced with a dwindling market, some OPEC members — Libya and Iran have come in for the strongest criticism from fellow members of the cartel — have offered discounts in a bid to boost their sales.

OPEC ministers met last month in Geneva to seek a solution to the crisis. But the meeting broke up after the Gulf states refused to accept an accord on production quotas unless African producers increased the premiums they charge for their high-quality crudes.



The head of the U.S. Environmental Protection Agency, Anne Burford, announces a plan to spend \$33 million to buy out homes and businesses in the contaminated, flood-stricken Missouri town of Times Beach. In the background are some residents of Times Beach.

U.S. Offers to Buy Out Homes, Businesses in Dioxin-Polluted Town

By Robert Reinhold
New York Times Service

EUREKA, Missouri — The U.S. government has offered to buy out all homeowners and businesses in Times Beach, Missouri, a town that has been afflicted by both flooding and contamination by dioxin.

The buy-out, estimated to cost \$33 million, would be the first under the fund created in 1980 to clean up hazardous waste dump sites. It also represents the first time the government has offered to evacuate and buy out an entire town threatened by chemical wastes.

The announcement Tuesday formed a dramatic climax to the Times Beach story. The town was devastated last December when the Meramec River flooded, and then its 2,000 residents learned that their streets were contaminated with highly toxic dioxin. It had been deposited a decade earlier when unpaved streets were sprayed with tainted waste oil.

The buy-out plan was outlined Tuesday by federal officials at a news conference here, not far from the devastated town.

The federal delegation was led by Anne McGill Burford, administrator of the Environmental Protection Agency. She was Anne Gorsuch until her remarriage Sunday.

The announcement was all the more dramatic coming when the EPA is under intense congressional scrutiny amid suggestions that it has been sluggish in cleaning up hazardous waste sites.

The buy-out plan was generally greeted with approval by Times Beach residents.

"I'm absolutely elated," said Charles F. Stone, owner of two trailer parks that he valued at \$3.5 million.

Mrs. Burford said she was allocating the \$33 million to the Federal Emergency Management Agency to buy the property at what its fair-market value was before the floods. In all, 437 permanent homes, 364 mobile homes and 40 or 50 businesses are eligible.

"I am as personally upset as you over the uncertainties we've had to live with," said Mrs. Burford, addressing her comments to local residents. She later added that nothing could be done until test results were confirmed.

She said plans would be completed within three weeks and nobody would be forced to accept the offer.

Under federal law, the state of Missouri must contribute 10 percent of the federal outlay. Robert Griffin, speaker of the Missouri House, said this would receive priority in the state legislature.

Lewis Crampton, the new acting chief of the cleanup program, said Tuesday in Washington that the law creating the cleanup fund explicitly provided that federal money could be used to pay for relocating individuals and businesses from polluted areas.

An executive order from President Ronald Reagan put the Federal Emergency Management Agency in charge of carrying out such relocations, according to Mr. Crampton. He is the EPA's acting assistant administrator for solid waste and emergency response, the office that Rita M. Lavelle headed until her dismissal earlier this month.

According to Mrs. Burford, the buy-out decision was made only Monday after the national Centers for Disease Control in Atlanta said that new post-flood tests showed no diminution in dioxin levels and renewed a warning to residents to leave the town. Only about 300 residents have remained.

The latest tests from 248 samples showed that the floods had little effect on the level or distribution of dioxin, which is not soluble in water, according to Dr. Vernon N. Houk, acting director of the Center



Harold Washington, with his fiancée, Mary Smith, and the Reverend Jesse Jackson, thanked his supporters for electing him as Democratic candidate for mayor of Chicago.

Black Congressman Upsets Byrne To Win Chicago Mayoral Primary

By Mike Robinson
The Associated Press

CHICAGO — With overwhelming black support, U.S. Representative Harold Washington upset Jane M. Byrne, the well-financed incumbent, in the Democratic primary for the mayoralty of Chicago.

Mr. Washington, 60, a two-term congressman, overcame a paltry campaign war chest, a 1974 conviction for failing to file U.S. income taxes and subtle appeals to racism to beat Mrs. Byrne by 32,810 votes of a record 1.14 million counted by Wednesday morning.

"By today's vote, the Democratic Party has been returned to the people," Mr. Washington told supporters.

Mrs. Byrne split the white vote with Richard M. Daley, the Cook County state's attorney, according to a private poll. Only 6 percent of white respondents said they had voted for Mr. Washington.

The mayor, who had told supporters that the race was "too close to call," conceded at mid-morning and urged his backers to support Mr. Washington in the April 12 general election.

"I've been a Democrat all my life," Mrs. Byrne said. "He is the choice of the people and, yes, I will support him. The numbers speak for themselves."

Mr. Daley earlier pledged to support Mr. Washington against Bernard Epton, who ran unopposed for the Republican nomination.

If elected, Mr. Washington would join the ranks of big-city black mayors that include Thomas Bradley in Los Angeles, Andrew Young in Atlanta, Coleman A.

Young in Detroit, Kenneth Gibson in Newark, New Jersey, Marion Barry in Washington and Richard G. Hatcher in Gary, Indiana.

Widespread charges of vote fraud marred the primary, and U.S. marshals were ordered to impound the ballots as they were counted for safekeeping and as possible evidence in criminal prosecutions.

With all but 10 of the 2,914 precincts reported, the results were: Mr. Washington, 419,266 votes, or 36.3 percent; Mrs. Byrne, 386,456 or 33.5 percent; and Mr. Daley, 343,506, or 29.8 percent. The other votes were split among minor candidates.

According to the private poll, Mr. Washington captured 84 percent of votes cast by blacks, whose power was enhanced by an aggressive registration drive last fall.

Mr. Washington's showing in the black community — with an estimated 600,000 to 650,000 voters — deprived Mrs. Byrne of votes that were instrumental in her own upset victory four years ago.

The Republican Party has not won the Chicago mayoralty in 50 years, but Mr. Washington said that he would not take the general election for granted.

Chicago has been described by local civil rights groups as the nation's most segregated city. Federal lawsuits have challenged alleged discrimination in its schools, police department and park district.

Mr. Washington said he would deal with residents of all sections of Chicago.

"Our concern is to build it to heal and to bring together," he said.

His determination is to unify this city."

The primary was a referendum on Mrs. Byrne's leadership, with Mr. Daley and Mr. Washington attacking her tumultuous first years in office, her alleged cronyism and the city's fiscal condition. Her \$10-million political war chest, which was built largely with donations from people doing business with the city, also was a major issue.

But the primary was also a test of the clout of the Daley name, built up during 21 years when Richard J. Daley, the candidate's father, ruled as mayor and boss of the Democratic machine.

And it offered the city's increasingly political black community its first real chance to install a black as Chicago's chief executive. Mr. Washington's campaign, which was his second bid for the job, was often compared to a crusade.

The three Democrats spent more than \$12 million in the primary, making it the costliest in Chicago history.

Light rain did not dampen voter enthusiasm Tuesday. The last time more than a million voters turned out for a primary was 1955, when the late Mr. Daley ousted the incumbent to begin the first of six terms.

The younger Daley, 40, who had long been considered as successor to his father, was endorsed by Chicago's two major daily newspapers and received high marks for his role as Cook County's top prosecutor.

Mr. Washington relied on four televised debates to compensate for his lack of financing.

Arens Warns of Possible Strike On Syria to Counter Soviet Missiles

By Jack Nelson
Los Angeles Times Service

WASHINGTON — Moshe Arens, the Israeli defense minister, has warned that Israel may launch a pre-emptive strike against Syria if the buildup of long-range Soviet SAM-5 missiles continues there. The Israeli, he said, might conclude that they were faced with a "mortal threat."

Mr. Arens called the missile buildup an "almost desperate" act by the Soviet Union to regain influence in the Middle East. Although Israel is tolerating deployment of the powerful anti-aircraft missiles at present, he said, it is destabilizing and "a wrong move on the part of the Soviets."

U.S. military officials have expressed concern that the missile buildup might shift the balance of power in the region and be considered as an intolerable provocation by Israel, which has not hesitated to launch pre-emptive strikes.

In September 1974 the Israelis raided suspected Palestinian guerrilla targets in Lebanon. In June 1981 they bombed and destroyed a nuclear reactor in Iraq that they said was intended to produce atomic bombs for use against Israel. And in June 1982 they invaded Lebanon to disperse or destroy Palestinian forces whom they considered to be a continuing threat to their security.

Mr. Arens, the Israeli ambassador to the United States for the past year, was approved as defense minister by a unanimous Israeli cabinet on Tuesday. On Wednesday the Knesset voted, 61-51 with

two abstentions, to ratify the cabinet vote.

Interviewed here Tuesday, Mr. Arens was asked whether Israel might consider a pre-emptive strike against Syria if the missile buildup continued and "you saw you were about to have your back to the wall?"

He replied: "I think you appreciate that a country like Israel that is faced with such a large array of weaponry and military forces — whose very existence would hang in the balance in any kind of military conflict — has in the past and could in the future, and might in the future if it felt it was facing a mortal threat, decide to take some pre-emptive action as it did in '74."

Mr. Arens said the United States "maybe first and foremost" was the beneficiary of Israel's military action in Lebanon last year. The Middle East always has been seen as an arena of contest between the two superpowers and "all of a sudden the Russians have been practically wiped off the Middle East chessboard, and their stock is down to zero and all the Arabs are running to Washington," he said. "They're not running to Moscow any more."

In Syria, Mr. Arens said, the Russians "are making what seems like an almost desperate and an almost last-ditch effort to protect their position in the one country where they still have a position."

Mr. Arens, who will leave for Jerusalem in about a week, dismissed newspaper reports that he had initially balked at accepting the defense post as long as his predecessor, Ariel Sharon, re-

mained in the cabinet. He said he respects Mr. Sharon's capability on military strategy and tactics and will listen closely when he talks on such matters.

Mr. Sharon resigned as defense minister on Feb. 11 after the Israeli cabinet voted, 16-1, to accept a report — containing a recommendation to that effect — of the inquiry commission into the Beirut massacre.

On withdrawing troops from Lebanon, Mr. Arens said that the first priority was an arrangement that would prevent the Palestine Liberation Organization from returning and using Lebanon as a base to terrorize northern Israel again.

The Knesset on Wednesday rejected President Ronald Reagan's offer to guarantee the security of the Israeli border with Lebanon.

"We thank President Reagan for his willingness and magnanimity," Foreign Minister Yitzhak Shamir told the World Assembly of Jewish War Veterans in Jerusalem. "But this cannot serve as a substitute for solid security arrangements."

On another subject, Mr. Arens spoke bitterly of the wealth earned by Arab nations when they were able to force world petroleum prices higher.

■ Report on Next U.S. Envoy

Mel Rosen, the Israeli ambassador to France and an influential negotiator at the 1978 Camp David summit talks, is likely to replace Mr. Arens as ambassador to the United States, The Associated Press in Tel Aviv quoted Israeli radio as reporting Wednesday.

Pact Threatens U.K. Pay Restraint

Reuters

LONDON — Jubilant British trade union leaders Wednesday planned tougher pay demands after a government committee arbitrating a nationwide water-workers' strike awarded pay increases that appeared to shatter Prime Minister Margaret Thatcher's policy of low wage increases.

The settlement Tuesday, which ended a five-week strike, far exceeded the 4.5-percent guideline Mrs. Thatcher had set for pay rises. The 29,000 water workers will receive pay increases of 10 to 14 percent over 16 months.

Socialists Transfer Talks

United Press International

BONN — An April 7-10 meeting of the Socialist International has been transferred from Sydney to Lisbon because of the scheduling of the Australian elections. Willy Brandt, the president of the Socialist International, announced Wednesday.

"We have taken a coach and horses right through the prime minister's policy in the public sector," said an ecstatic Mick Martin, a national official of the Transport and General Workers Union, one of the labor groups involved in the strike.

David Bennett, leader of the municipal workers' union, which also had members involved in the strike, said other unions would use the settlement "as a battering ram."

Sir Terence Beckett, director-general of the Confederation of British Industry, was one of several industrialists to voice alarm, saying the settlement was far too high.

Mrs. Thatcher was said by aides to be concerned about the possible repercussions of the settlement on inflation, which her Conservative government has helped bring down to an annual rate of 4.9 percent, from 12 percent a year ago.

The award was agreed on by the National Water Council, which represents industry employers. The strike had left 84,000 Britons with-

out water and forced eight million others to boil their drinking water.

Under the settlement, the water workers' basic pay rate, now about £80 per week (\$122), will rise 14 percent. But their average total earnings, including overtime and bonuses, will rise by only 10 percent to about £150.

The National Water Council said the settlement would not mean a rise in local water taxes this year but could lead to lost jobs as the industry made economies to pay wages.

About 40,000 manual workers in the state gas and electric utilities are due to present a demand Thursday for a 15-percent pay increase.

"There is no doubt this will raise expectations," said their negotiator, John Edmunds, referring to the water settlement. "All unions in the public sector will toughen up their positions."

Pay settlements under the Thatcher government have been running at around 6 to 7 percent.



HIJACKING ENDS — Passengers left a hijacked Libyan jet on Wednesday at a Malta airport. Page 2.

■ Helmut Schmidt, former West German chancellor, says that the U.S. must lead a world economic recovery. Page 5.

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■ European warnings may be making the United States hesitate about unleashing its farm surpluses on world markets. Page 11.

EDITORIAL PAGE

■ Singapore calls for reform of the nonaligned movement. Page 4.

SCIENCE

■ U.S. researchers believe they are finally closing in on the secrets of cancer. Page 6.

COMING FRIDAY

■ How did Jerry Weintraub, movie producer and concert organizer, earn a front-row seat at Leonid I. Brezhnev's funeral? Mary Blume explains the reasons in this week's Weekend.

Political Predicament in Uruguay Popular Opposition Figure Officially 'Proscribed'

By Edward Schumacher
New York Times Service

MONTEVIDEO, Uruguay — "Thank God, you're still well," a woman at the next table said to Jorge Batlle Ibanez in a restaurant here.

Outside, a kiosk owner stuck his head out from among the magazines and newspapers to call out, "I'm with you, Mr. Batlle."

A toll taker, giving Mr. Batlle a thumbs-up sign, refused to take his money.

So goes the daily round of testimonials to the extraordinary political popularity of this member of Uruguay's most famous political family — extraordinary because in the eyes of Uruguay's 10-year-old military regime, Mr. Batlle does not exist politically.

He is one of a handful of Uruguayan civilian political leaders who are "proscribed" from participating in any way in politics, including voting. When Búsqueda, Uruguay's only news magazine, ran an interview with Mr. Batlle last month, the government closed it down for five weeks.

Yet Mr. Batlle (pronounced BAH-zha), the 55-year-old son of a president, great-nephew and great-grand-nephew of presidents and a man himself raised to be president, has perhaps more than anyone come to symbolize opposition to the government's authoritarian rule.

Among the memorabilia in his study is a statue of his great uncle, José Batlle y Ordóñez, who was president in the early part of the century and who introduced a social welfare system that was among the aspects of European life that led this country to be called the Switzerland of South America.

In his modestly appointed penthouse apartment, the lanky Mr. Batlle holds court most mornings with political leaders around the country. He continually makes jokes, often at his visitors' expense. "The hour of truth has arrived," he said in an interview. "This is the final game."

Who do they represent? he said of the military, who took power in 1973 after five years of urban terrorism by leftists called Tupamaros. "The armed forces and no one else. Game, set, point, match, ciao."

Mr. Batlle was referring to negotiations scheduled to begin next month between opposition leaders and the government of President Gregorio Alvarez, a retired general, on a new constitution. The military, having lost two nonbinding national votes, has promised to hold national elections in November 1984 and step down in March 1985.

The regime's first defeat occurred in a plebiscite two years ago on a proposed constitution that would have essentially perpetuated military power. It lost by roughly a 60-40 margin.

Then, in the first step of the military's timetable for a return to democracy, the country's two main political parties, the Colorado and the Blancos, and a new party, the Civic Union Party, held party elections three months ago to select national convention delegates. The military's candidates in the three parties lost by roughly a 80-20 margin.

But a question haunting the country as each of the three parties select their negotiators for the constitutional talks is: What happens if no agreement is reached?

The military has not provided any answers, but Mr. Batlle, despite being prohibited from running in the party elections, is central to the unfolding drama. "He is the shrewdest politician in the country," a Western diplomat here said.

In the elections of his Colorado Party, Mr. Batlle used his influence to defeat Jorge Pacheco Areco, a powerful party leader who had joined the government to be its ambassador to Washington. Mr. Pacheco, accused by Mr. Batlle of being a turncoat, argued that he was trying to encourage a return to democracy by working on the inside, but his delegates were soundly beaten.

Some Blancos, united under Wilson Ferreira Aldunate, a former presidential candidate who lived in exile in London, are demanding that the military step down sooner. But not even these leaders propose street demonstrations to force the issue, in keeping with the pacifist tradition of most Uruguayans.

"You want to kill people?" Mr. Batlle said. "We will push for a solution, but do you have an idea of the disproportion of forces between the army and the people?"

Politically, he said, he would not want to take over the government now anyway.

The economy has deteriorated sharply in the last year, with unemployment doubling to almost 14 percent in the second half of 1982 and inflation shooting up from negligible levels to more than 15 percent in January alone, according to the government.

"Let the military burn slowly," Mr. Batlle said. "Let the people hate them a little more."

Hijackers Surrender To Maltese

Asylum Is Promised; Hostages Are Unhurt

VALLETTA, Malta — Two disgruntled Libyan Army officers who hijacked a Libyan airliner and held it for almost three days released their 158 hostages and surrendered Wednesday in return for a promise of political asylum.

Six crew members and 152 passengers, debilitated after spending 63 hours inside the plane with little food or water, were released after Prime Minister Dom Mintoff personally assured the hijackers of their safety.

The hijackers, identified by authorities only as Libyan officers who opposed the policies of Colonel Moamer Qadhafi, the Libyan leader, told authorities they "would rather die than go back to Libya."

The plane was commandeered late Sunday on a flight from Sebha, in southern Libya, to Tripoli. It was held at the Luqa International Airport near here until the hijackers, who unsuccessfully requested fuel to take the plane to Morocco, were assured they would not be returned to Libya.

Mr. Mintoff said that two countries, which he would not name, had offered to give the hijackers political asylum.

A doctor at the airport said none of the released hostages was seriously ill.

Sankung Touray, a Libyan student who was among the passengers, said the hijackers "were carrying shotguns and bombs. We had to stay in our seats the whole time."

"One of the hijackers told me that if I didn't sit down he would kill me," Mr. Touray said. "The children were crying the whole time."

Throughout the ordeal, Maltese officials had said there were three heavily armed hijackers. But the aircraft's captain, Abdullah Sheki, said there were only two — each armed with a pistol and a hand grenade.

Mr. Mintoff drove to the plane to greet the passengers as they left the Libyan Arab Airways Boeing 727.

Four ambulances took sick passengers to the airport hospital. The remaining passengers were taken to Valletta. Mr. Sheki, the pilot, confirmed that there was almost no food on the aircraft and that water was rationed until it ran out late Tuesday. He said the plane's toilets were blocked and overflowing.

Reagan Says Best Peace Hopes Lie In Palestinian, West Bank Accords

By James R. Dickenson
Washington Post Service

WASHINGTON — President Ronald Reagan contended Wednesday that Israeli acceptance of Palestinian rights and Jordanian sovereignty over the West Bank in some sort of federation was the best hope of providing for Israel's security and of gaining a permanent peace settlement in the Middle East.

"Recognition of the Palestinian problem has to be a factor in any settlement," Mr. Reagan said at a breakfast with reporters at the White House. "What's at stake for Israel? What's at stake for Israel's security? Can they go on forever living as an armed camp?"

"The greatest security for Israel is to create new Egypt, more neighbors, more nations willing to sign treaties with them."

He also said it would be wrong to wait to complete a peace treaty between Israel and Lebanon before beginning a withdrawal of foreign forces from Lebanon.

"I think there can be an agreement, an informal agreement there about what they're going to do with regard to withdrawal," he said. "Time is not on our side in this."

The president again expressed the cautious hope that some compromise agreement might be negotiated with the Soviet Union on de-

ployment of U.S. intermediate-range missiles in Europe, which is scheduled for late this year.

"I think there might be some loosening of Soviet attitudes, particularly as we get closer to the day of deployment of intermediate-range missiles in Europe," he said.

Mr. Reagan also expressed his willingness to meet with Yuri V. Andropov, the Soviet leader, on arms reduction at "any time, any place."

Mr. Reagan said he would be "very willing to meet with him" when and if the time is right for a summit meeting.

The president said, as he has before, that "the ball is a little bit in their court." He added: "I think we need some deeds rather than words to indicate that there is something to negotiate, that we could have a meeting and discuss some of the differences between us."

He went on to say that "we made a move in their direction when I withdrew the grain embargo. But there has been nothing in return that shows that they are willing to make some changes in some of the things that are disturbing us."

A summit meeting, he said, needs an agenda, "some things to talk about, because you do raise a

lot of hopes and expectations in such a meeting."

The president refused to give figures on how much of an increase he expected in the size of the multinational peacekeeping force in Lebanon. The force is made up of U.S. marines and French and Italian troops.

"Actually, we have not dealt in figures yet," he said. "That would depend on the responsibility of each nation" under an agreement on the withdrawal of Israeli, Syrian and Palestinian forces from Lebanon.

On domestic issues, Mr. Reagan expressed the belief that interest rates in the United States could come down another percentage point or two and put the responsibility for high interest rates on the banks rather than the Federal Reserve.

"It is up to the banks," he said. "We have a low discount rate."

He said there was no reason why the banks "could not bring those interest rates down another notch or two."

"I believe that with inflation at the level it is, that interest rates can come down more and should, because it leaves the real interest rate higher than is necessary to cope with inflation."

The president again refused to give a signal on whether he intended to run for re-election.

He repeated his contention that to announce a decision to run too early would leave him open to the charge that everything he did "was based on politics," whereas to announce that he was not going to run would make him a "lame duck."

Funds Sought for Project

Secretary of State George P. Shultz asked Congress on Wednesday for an initial \$65 million to begin "Project Democracy."

A Reagan administration plan to promote the spread of democracy around the world, The Associated Press reported from Washington.

In testimony before the House Foreign Affairs Subcommittee on International Operations, Mr. Shultz said the program, to be coordinated by the U.S. Information Agency, would concentrate on Africa, Asia and Latin America, but would also promote democracy in communist nations.

He said the project would involve leadership training, education, informational programs and the bolstering of ties between American individuals and organizations and their foreign counterparts.

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NEWS ANALYSIS

Andropov, the Soviet leader, on arms reduction at "any time, any place."

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U.S. Offers to Purchase Homes in Stricken Town

(Continued from Page 1)

for Environmental Health, part of the Atlanta centers.

As before, he said, the highest levels were found under the macadam of the streets, which were sprayed with dioxin-laced oil in 1971. Samples of this capped soil frequently showed concentrations of more than 100 parts of dioxin per billion, some as high as 300 parts. Little if any contamination showed up in residential yards.

The federal centers advise people to avoid long-term contact with contaminated soil at more than one part dioxin per billion.

The long-range health effects of exposure to dioxin for humans remain uncertain. Only chloracne, a severe skin condition, has been indisputably linked to the chemical, but it is suspected of causing kid-

ney and liver malfunction, and possibly cancer.

Tuesday's news conference appeared to have been called hastily. Only last Thursday, Lee M. Thomas, an official at the Federal Emergency Management Agency who was appointed by Mr. Reagan to head a special committee on the Times Beach situation, said that any announcement awaited a risk assessment by the Centers for Disease Control. The centers this week did not advise of any specific additional health risk to Times Beach residents but restated earlier warnings.

Mrs. Burford said the Times Beach decision was unrelated to the dispute over her former assistant administrator, Miss Lavelle. Members of Congress have suggested that Miss Lavelle maintained improperly cordial relations with polluters.

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Mr. Tabatabai greets an official after his release.

Former Official of Iran Freed in West Germany

The Associated Press

DUSSELDORF, West Germany — A former Iranian deputy prime minister accused of smuggling opium was freed Wednesday, prompting accusations by an opposition member of the West German parliament that the case was a "political scandal."

Sadeq Tabatabai, brother-in-law of Ayatollah Ruhollah Khomeini's son Ahmed, was freed after the authorities accepted his claim of diplomatic immunity, court officials said.

Herta Daubler-Gmelin, chairman of the parliament's Judicial Committee and a Social Democrat, said that the West German Foreign Ministry was responsible for Mr. Tabatabai's release.

If Mr. Tabatabai was released to avoid political trouble, the action "could prove a heavy blow against international efforts to fight drug smuggling," she said. The release amounted to "opportunistic behavior" by Foreign Minister Hans-Dietrich Genscher, she added.

The affair is "a political scandal," she said.

Mr. Tabatabai, 39, a biochemist, was detained Jan. 8 at the Düsseldorf airport. The authorities said they found raw opium worth 40,000 Deutsche marks (\$17,000) in his luggage.

He was detained briefly and formally arrested several days later after the state prosecutor, Hans Hallmann, told the court there was a "risk he would flee the country."

The trial opened Friday, with prosecutors arguing that an Iranian request for diplomatic immunity for Mr. Tabatabai should be turned down because it came only after the former official was arrested.

Optimism on Truce For Namibia Shaken

By Allister Sparks
Washington Post Service

CAPE TOWN — Delegations from South Africa and Angola met Wednesday on a Cape Verde island to discuss a proposed cease-fire in their bush war along the Namibian border, but there was speculation that prospects for agreement have deteriorated.

South African officials were privately expressing confidence last week that a cease-fire agreement would be signed. They said hostilities in the fighting along Angola's border with Namibia, or South West Africa, had been scaled down in anticipation of this.

The optimism evaporated during the weekend with news that the South-West Africa People's Organization, or SWAPO, which South Africa is fighting in the war, had infiltrated a large group of insurgents into Namibia on Sunday.

Military officials in Pretoria claimed Wednesday that 129 of the insurgents were killed in several clashes and said two South African policemen died.

[Military sources told Reuters that the operation was the largest by the South African forces in the 16-year guerrilla war. The sources placed at 700 the number of SWAPO troops who entered Namibia.]

In an obvious reference to the infiltration, Foreign Minister Roelof

F. Botha of South Africa said "recent events" had greatly diminished the cease-fire prospects.

He announced a downgrading of the South African delegation to the talks, held on the Cape Verde island of Sal, off West Africa.

Initially the delegation was to have included Mr. Botha and Defense Minister Magnus Malan. Now it is led by the director-general of the department of foreign affairs, Johannes van Dalsen.

According to press agency reports from Cape Verde, the Angolan delegation is led by Interior Minister Alexandre Rodrigues and includes Deputy Foreign Minister Venancio de Moura and top Defense Ministry and military figures.

The reports said that because of the downgrading of the South African delegation, Prime Minister Pedro Pires of Cape Verde declined to be host for the talks and yielded the task to Foreign Minister Silvio de Luz.

Western diplomats here who are acting as mediators in the talks said South Africa contended that SWAPO took improper advantage of the de-escalation. South Africa saw the infiltration as a sign that SWAPO might also take advantage of a cease-fire, the diplomats said.

South Africa originally proposed the cease-fire at a Dec. 7 meeting on Sal island. That was the first official meeting between the two countries.

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WORLD BRIEFS

Askew Seeking U.S. Presidency

WASHINGTON (UPI) — Former Governor Reubin Askew of Florida announced formally Wednesday that he was seeking the 1984 Democratic presidential nomination, increasing the field to four.

"I seek the presidency," Mr. Askew, 54, said in a statement, "because I truly believe I have a combination of experience, insight and skill that qualifies me in a special way to lead this nation during this time of transition."

Senators Alan Cranston of California and Gary Hart of Colorado and former Vice President Walter F. Mondale have already announced their candidacies for the Democratic nomination.



Reubin Askew

Democracy Project Funds Asked

WASHINGTON (AP) — Secretary of State George P. Shultz asked Congress Wednesday for an initial \$65 million to begin "Project Democracy," a Reagan administration plan to promote the spread of democracy around the world.

In testimony before the House Foreign Affairs Subcommittee on International Operations, Mr. Shultz said the program, to be coordinated by the U.S. Information Agency, would concentrate on Africa, Asia and Latin America, but also would promote democracy in communist nations.

He said the project would involve leadership training, education, building of democratic institutions, informational programs and the bolstering of ties between American individuals and organizations and their foreign counterparts.

Fraser Remark on Banks Assailed

SYDNEY (AP) — Prime Minister Malcolm Fraser was strongly criticized Wednesday for saying that Australians should withdraw their bank savings if the opposition Labor Party wins national elections March 5.

At a rally Tuesday, Mr. Fraser, who was trailing his Labor Party opponent, Bob Hawke, by 10 percent in the most recent public opinion poll, said: "I wonder how many of you have savings locked away in the banking system and think it's safe. Under Labor, it would be safer under your bed than it would be in the bank."

Ron Cameron, director of the Australian Bankers' Association, urged Mr. Fraser to rectify his remark, and Mr. Hawke accused Mr. Fraser of trying to trigger a run on the banks. The Australian Financial Review accused Mr. Fraser in an editorial of deliberately risking the stability of the Australian financial system for short-term political advantage.

U.K. Labor Expels Trotskyists

LONDON (Reuters) — Five leading members of a Trotskyist group were expelled from Britain's Labor Party Wednesday on the orders of the party leadership.

One of those expelled, Peter Taaffe, said the party's national executive committee approved the move by 19 votes to nine. Mr. Taaffe, editor of the group's newspaper, Militant, said that its members would appeal the expulsions.

The expulsion was ordered on the eve of an important by-election in the South London Labor stronghold of Bermondsey in which leftist influence in the party has become a major issue.

IMF Loan for Brazil Is Expected

WASHINGTON (Reuters) — The International Monetary Fund is expected to approve Monday a \$5.5-billion financial package to assist Brazil, monetary sources said.

The sources said the funds would consist of about \$5 billion under a three-year financial arrangement and the remainder would be given under the IMF's facility

Reagan Missile Plan Looks Familiar

By Michael Gerler

WASHINGTON — President Ronald Reagan's description Tuesday of what he would regard as a "fair agreement" with Moscow limiting medium-range missiles in Europe sounds similar to a package of ideas worked out in unauthorized secret discussions last summer by U.S. and Soviet negotiators.

Those informal discussions between the chief U.S. negotiator, Paul H. Nitze, and his Soviet counterpart, Yuri A. Kvititsky, produced an "exploratory package" of ideas sent back to Washington and Moscow for study.

Both the Soviet Union and the United States ultimately rejected them, although the administration for a time considered exploring them.

White House officials sought

Tuesday to play down any notion that Mr. Reagan's speech was meant to resurrect the ideas produced in Geneva.

But from what has been revealed about the exploratory package, it

NEWS ANALYSIS

bears a considerable resemblance to what Mr. Reagan described.

Although Mr. Reagan reiterated his "deep personal commitment" to his "zero-option" plan for banning all medium-range missiles from Europe, he also laid out four principles that could form the basis of a possible compromise.

"The only basis on which a fair agreement can be reached is that of equality" between the United States and the Soviet Union, he said.

Mr. Reagan said British and

French missile forces, which are not part of the U.S.-Soviet talks in Geneva, could not be considered in those talks. He said the Soviet Union could not be allowed merely to shift the mobile missiles from Europe to Asia, and he said any agreement must be verifiable.

The Nitze-Kvititsky package reportedly dealt directly with the equality issue by limiting each side in Europe to 75 missile launchers. The plan would have allowed Moscow to keep 75 of its approximately 240 SS-20 missiles based in the European portion of the Soviet Union and aimed at Western Europe. Each SS-20 carries three nuclear warheads.

But it also left room for deployment of new U.S. cruise missile launchers, each of which comes with four missiles.

The British and French forces,

which are independent of NATO control, were not counted in the Nitze-Kvititsky package. Similarly, the two negotiators worked out a plan that would have frozen the number of SS-20s based in the Asian portions of the Soviet Union at 90, about the current level. This apparently would have prevented any shift of missiles from Europe to Asia.

Very little is known about the verification provisions in the informal proposal.

The major U.S. concession suggested by Mr. Nitze involved dropping the planned deployment of the Pershing-2 missile while limiting cruise deployment to 75 launchers. The Pentagon strongly objected to dropping the Pershing, which was one of the main reasons why the plan eventually foundered in Washington.

A Warning By Gromyko

The Associated Press

MOSCOW — Andrei A. Gromyko, the Soviet foreign minister, said Thursday that the deployment of new U.S. medium-range missiles in Europe would curtail U.S.-Soviet talks on limiting such weapons.

In a Pravda interview, Mr. Gromyko said the belief that the talks in Geneva could continue if the U.S. deployment began was a delusion. "The new U.S. missiles, should they appear in Western Europe, would result in a qualitatively new situation," he said.

The interview broke little new ground and was viewed by Western observers in Moscow as another turn of the propaganda screw on the missile deployment question in the run-up to the West German elections March 6.



Salvadoran guerrillas with automatic rifles engaged government troops in door-to-door fighting Tuesday in an attempt to seize control of the northern town of Tejutla.

Cheysson Sees Andropov as Cold

Soviet Leader Called 'Nonromantic,' Computer-like

By E.J. Dionne Jr.

PARIS — The French foreign minister says Yuri V. Andropov, the Soviet leader, is "lacking in human warmth" and is a "nonromantic" who works like a "computer."

The minister, Claude Cheysson, was one of the first senior Western officials to meet with Mr. Andropov since the death of Leonid I. Brezhnev in November. He gave the candid account of his encounter in an interview with French reporters on an airplane flight from Moscow to Brussels late Monday and in subsequent television interviews in Belgium.

Mr. Cheysson said of Mr. Andropov: "He is a sober man, precise, who shows no emotion, who sticks to the facts and to a mathematical reasoning."

The 68-year-old Soviet leader, Mr. Cheysson added, "made a presentation which was cool and objective, accompanied at times by a little personal touch in his gesture, in his smile or in the way he set out an argument."

"But in all this, he was extraordinarily dispassionate, lacking in that human warmth which I found elsewhere, in Leningrad and even in my talks with Gromyko," the French diplomat said, referring to Andrei A. Gromyko, the Soviet foreign minister.

Mr. Cheysson described Mr. Andropov as a "nonromantic," and when asked if the Soviet leader was a modern man, replied, "Yes, he is a modernist in the sense of a computer, in the sense of precision of word and gesture."

His comments were published Tuesday in several French publications, including the newspaper Le Monde.

Mr. Cheysson's portrait of Mr. Andropov, the former head of the KGB, the Soviet intelligence and security service, as a cold and calculating man driven by ideology contrasted sharply with the characterization provided by Soviet officials since the death of Mr. Brezhnev.

In the Soviet press and in conversations with Western reporters, Mr. Andropov has been portrayed as a man whose tenure in the 1950s as ambassador to Hungary and exposure to Western ideas gave him a unique ability to compromise and innovate.

The first Russian leader since Czar Nicholas II to be familiar with the English language, he was presented as a voracious reader of Western magazines and novels, a lover of classical jazz, a connoisseur of French cognac and Scotch and a tennis enthusiast.

On Soviet television, Mr. Andropov has recently been shown on factory tours mingling with blue-collar employees. His drive against corruption among government officials was presented as an attempt to align himself with lower-level Soviet workers.

In Moscow, Mr. Cheysson reiterated France's opposition to Mr. Andropov's proposal to reduce the Soviet Union's medium-range nuclear missiles in Europe to 162, the total number of nuclear missiles under the control of Britain and France.

The plan has been rejected by Paris and London on the ground that it would institutionalize Soviet superiority.

China to Post Guards On Domestic Flights

United Press International

BEIJING — Following a series of reported hijackings and one confirmed air piracy attempt, China has begun stationing security guards on all domestic flights, it was announced Wednesday.

Lin Zeng, an adviser to the state airline CAAC, said the security measures followed an attempt July 25 by five men to hijack a domestic flight to Taiwan. The hijackers were overpowered by passengers and crew and were later executed.

Liberia Rejects Sierra Leone Reply

MONROVIA, Liberia (AP) —

The Liberian leader, Samuel K. Doe, has rejected an explanation from Sierra Leone for a newspaper allegation that he had killed his wife, and has vowed to keep the border between the two countries closed until a further response is given.

The tension, which also led Liberia to deploy 2,000 troops along the border, resulted from an article on Feb. 19 in an independent newspaper, The Progress, in Free-

U.S. Mail to Andropov Fuels Article in Pravda

New York Times Service

NEW YORK — Pravda, the Soviet Communist Party newspaper, published on Tuesday what it said was a letter from a man in West Hartford, Conn., in an attempt to revive the idea of a summit meeting between Yuri V. Andropov, the Soviet leader, and President Ronald Reagan.

But the author of the letter, Joseph Dubitsky, an 82-year-old retired pharmacist, said the material attributed to him by Pravda was "distorted completely from A to Z."

Pravda reported that Mr. Dubitsky had written to Mr. Andropov asking, "Don't you think that a meeting between you and our president would be a reasonable step?" But, in a telephone interview, Mr. Dubitsky said, "I never requested such a thing."

Mr. Dubitsky said he had written to Mr. Andropov on behalf of a 44-year-old Russian emigrant, Adel Chuprovsky, asking that her husband, an engineer, be permitted to leave the Soviet Union and join his wife and daughter in Connecticut.

Mr. Dubitsky's letter was one of about a dozen letters Pravda cited in a long article on the correspondence Mr. Andropov has received from Americans since he became the Soviet leader late last year. The article was believed to be the first of its kind in Pravda.

Ex-EPA Aide Denies Deals on Toxic Waste

United Press International

WASHINGTON — Rita Lavelle, a dismissed official of the Environmental Protection Agency, told the Senate Environment and Public Works Committee on Wednesday that she never shopped or withheld papers from Congress.

Further, Miss Lavelle said, there was "no concrete evidence" that she made any deals with companies on cleaning up toxic waste sites, as a former agency employee has asserted.

"I have done nothing wrong," she said. "I have nothing to hide. I made tough decisions and I stand behind them. I can defend the actions I have taken. My record is a good one and I am proud of it."

As she waited in the committee office before testifying, Miss Lavelle was served a subpoena by a representative of the House Energy and Commerce Subcommittee, one of several panels that have tried vainly for several weeks to serve her with subpoenas.

Miss Lavelle, 35, who headed the EPA office that administers the agency's "superfund" for toxic waste cleanup, was dismissed Feb. 7 by President Ronald Reagan after she refused to resign.

Miss Lavelle was dismissed amid allegations that she perjured herself before a House subcommittee by testifying she did not seek the dismissal of a former aide who had asserted that some cleanup programs were delayed or hastened for political reasons.

"I never participated in any such activity," she said.

Andropov Issues Call For Economic Change

Reuters

MOSCOW — Yuri V. Andropov, the Communist Party leader, said in an article published Wednesday that changes were long overdue in the way the Soviet economy is run.

Mr. Andropov, writing in Kommunist, the party's theoretical journal, avoided the phrase "economic reform" but indicated that he had such changes in mind.

His article, marking the 100th anniversary of the death of Karl Marx, said the Soviet economy was operating "not too successfully."

"What is holding us up?" he asked. "Why are we not getting the right returns from huge capital investments? Why are the achievements of science and technology being brought into production at an unsatisfactory speed?"

He said the main reason was that "our work toward perfecting and reshaping the economic mechanism and forms and methods of management has lagged behind."

The Soviet Union's main task is to "work out and consistently carry out measures that will give broad freedom of action to the colossal

creative forces in our economy," he added.

Mr. Andropov said the steps he envisioned must be carefully prepared and should allow the economy to be run by economic levers rather than administrative decrees.

The last major Soviet attempt at economic reform was made in the mid-1960s by Prime Minister Alexei N. Kosygin, but his plans met with strong resistance and were partially abandoned.

Mr. Andropov's article was by implication critical of his predecessor, Leonid I. Brezhnev, who was not mentioned by name. It was the clearest attempt Mr. Andropov has made to distance himself from the legacy of the Brezhnev era, at least on economic policy.

Mr. Andropov implied that under Mr. Brezhnev there had been too much equalization of wages and called for a return to the payment of higher wage differentials to better workers.

He said wage increases without a corresponding increase in productivity caused shortages in stores and created consumer demands that could not be satisfied.

Turning to ideological issues, Mr. Andropov made clear that there would be no extension of political freedom to critics of the Soviet system.

He said there were still people who tried to "oppose their own egoistic interests to those of society and its other members."

These people had to be educated and sometimes re-educated, he said. Such a course was not a violation of human rights but was "real humanism and democracy," he added.

Soviet Marxists should pay more attention to developments in other socialist countries, whose experiences are sometimes different from those of the Soviet Union, he said.

In what appeared to be a reference to the lessons of the Polish crisis, he said ruling Communist parties that neglected Marxist theory and took a narrowly pragmatic approach always encountered serious political problems.

It was naive to believe that Communist societies were free of conflicts and difficulties. Such conflicts should not be ignored because that would increase the risk of "serious collisions," he said.

Taxes Increased In Hong Kong

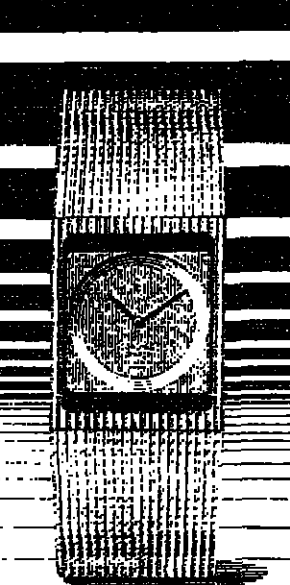
Reuters

HONG KONG — The local government on Wednesday imposed significant increases in taxes on liquor, cigarettes, gasoline and hotel accommodation, and created a new tax on air travel. The move was aimed at decreasing an expected deficit of as much as 6.2 billion Hong Kong dollars (\$953 million) for the 1983-1984 fiscal year.

The financial secretary of the Hong Kong government, John Bremridge, said he decided to raise almost half of the budget shortfall through indirect taxation and to take the rest from reserves. He was presenting his budget to Hong Kong's Legislative Council.

Increases were also imposed in taxes on betting. In addition, a service charge of 30 Hong Kong dollars for every adult airline passenger was replaced by a tax of 100 dollars on departing adult travelers.

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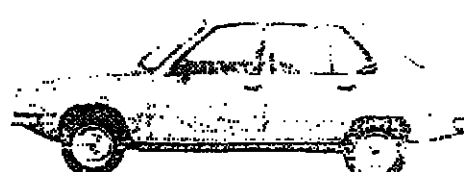
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INTERNATIONAL
Herald Tribune
Published With The New York Times and The Washington Post

Cultural Statements

French-American relations are a high-volatility mixture, most of all when they involve what the French call Culture and Americans call Culture. The conference of intellectuals and artists convoked last week by France's minister of culture, Jack Lang, had its anti-American moments, and some American commentators have been provoked into furious response. A Paris daily, Liberation, described the conference itself as "slightly ridiculous. No more." These responses have also been slightly ridiculous. We'll leave off the qualification.

The affair seems rather to have bemused the Americans who actually took part, unaccompanied as they are to being asked by governments how to end the world economic crisis. They had not known that they knew, and were pleased that Mr. Lang and President Francois Mitterrand seemed to think otherwise. Yet in the end they seem not to have added much to the conventional wisdom of economists, politicians, journalists — that dull lot.

The American critics of the affair have culminated over French "vanity" and the Socialist Messrs. Lang and Mitterrand's sympathy for liberal or leftist American writers and filmmakers. One might have thought Washington writers who boast of their White House friendships would be less intolerant when other writers, frozen out of Washington, find friends in Paris.

The most wrath, however, was exercised in defense of "Dallas," the American television series running on many of the free and the unfree world's television screens. The criticisms of "Dallas" made in Paris seem to have been taken as criticisms of American democracy, apple pie and all the rest.

Our own view is that the culture and civilization of the United States would be better defended on other grounds than "Dallas." "Dallas" is highly professional popular entertainment. Its most severe critics admit that. Art it is not. However, the foreign criticism made of it is not aesthetic but political. "Dallas" and other series already amortized economically by their sales in the United States are offered to world television at rates which tend to undermine local programming. This is what people like Mr. Lang call "cultural imperialism."

The obvious response is that no one forces French or any other television to buy and show "Dallas." Nevertheless the critics are making a serious point.

It is a trivial point with respect to France, and those other countries which have sophisticated national television in which American programming has a minor role. It is not a trivial point in countries with underdeveloped local television, meager local resources and little alternative diversion for newly urbanized or urbanizing populations, until now scarcely touched by the forces of modernization and mass culture.

For these audiences, the slick American series, wholly remote from anything in their own experience, yet fast, action-filled, colorful and hollow, do make a political statement. It is a statement about the United States and about American values. Our opinion is that it is a false statement, and on occasion a pernicious one. Other Americans seem to think that "Dallas" represents America at its best. Well, it's a free country. INTERNATIONAL HERALD TRIBUNE.

The Killing in India

After the bloodiest communal violence since India's partition in 1947, Indian Gandhi's opponents are hurling ugly taunts about her "Hitlerite" tactics. But the prime minister is not more directly to blame for the Assam riots than was the great Mahatma for the dreadful bloodletting that attended the nation's birth. Whether she bears an indirect responsibility remains to be determined.

It was Assam's elections that ignited the hatred of Hindu against Moslem, tribesman against villager. Mrs. Gandhi called the vote reluctantly after her parliamentary opposition dared her to resort to a previously discredited "emergency" rule instead. Hindu Assamese now insist that illegal Moslem immigrants will tip the result, and they are murderously enforcing a boycott of the poll.

The dead so far exceed 1,000.

The central government's quandary is real. The violence may spread, whether Mrs. Gandhi now tries to appease or to crush. She faces the fearful moral choices that often attend the massive movement of peoples.

A tenth of the 15 million Assamese belong to 16 tribal groups, with exotic names like Garo, Kachari and Lushai; they were promised "perfect freedom" by Mrs. Gandhi's father, Jawaharlal Nehru, and by the constitution. But privation and war in adjoining Bangladesh drove millions of Bengalis, both Moslem and Hindu, into Assam, feeding bitter ethnic rivalries and student insurgency.

New Delhi's task has been close to impossible: to deal justly with the original inhabitants and humankind with the uprooted refugees. Its programs of accommodation have obviously failed, and now the nation's unity and humanity are being tested in a cruel fire. In trying to contain it, Mrs. Gandhi may have miscalculated, and in a democracy legitimate inquiries will be made. When authorities fail to prevent massacres, the question of even indirect responsibility can no longer be evaded.

—THE NEW YORK TIMES.

It is interesting to observe the levels of response to the ethnic violence that is estimated to have taken as many as 1,000 lives in Assam. In the first reaction, prominent in journalistic accounts, the violence is said to be a phenomenon with "roots" in the religious, ethnic and other tensions common to the area. There is no doubt a sense in which this is true, but it is not a sense that truly illuminates the tragedy, or one that explains why in so many other situations, in India and elsewhere, similar tensions have been contained.

On the political level, India is having the kind of intense argument that becomes the world's largest democracy. The opposition charges that Prime Minister Indira Gandhi negligently if not cynically organized elections in Assam for her party's benefit — elections in which illegal aliens could vote, notwithstanding tensions created by the influx of nearly a million aliens from neighboring Bangladesh. The government responds that it could not allow the threat of disorder to subvert the democratic process. Outsiders will be watching closely to see how this essential argument over political responsibility comes out.

But it is on the moral level that the debate is most telling. Would she and her government accept moral responsibility for the tragedy? reporters asked Mrs. Gandhi, who was touring Assam. "Why should we? It is the agitators who are responsible," she replied. It was a disappointing response. Those who died, after all, were presumably under the protection of Indian law, and some of them were Indian citizens. In a democracy the state possesses authority precisely to prevent "agitators" from taking the law into their own hands. Israel has recently given an example of the degree of responsibility that a serious democracy accepts in such a tragedy even when neither the perpetrators nor the victims are its citizens. Against this standard, other self-respecting democracies should be prepared to be judged.

—THE WASHINGTON POST.

Other Opinion

The Soviet-Syrian Alliance

An alliance that Syria has aimed at, that the Soviet Union has started, is eliminating Arab Iraq from the region and putting Soviet hands on petroleum interests in Libya, Iraq and Iran. These petroleum interests are vital and large, and the Soviets can control the region with them. This is the secret behind the notable military movement between Syria and the Soviet Union recently. The Arabs must stand against this Soviet infiltration into the Arab front through Syria. The Arabs must have a plan to face this suspicious move.

—Al-Akhbar (Cairo).

the enormity of Barbie's crimes that the question may well be asked whether the effort to apprehend the accused was well worth the trouble. Time is indeed running out. But some time is still left to place on record humanity's moral judgment on the Nazi murderers and their collaborators.

—The Jerusalem Post.

Now Remedial Reasoning

They're calling it "the fourth R" — reasoning. In an experiment, public school systems propose to give the fourth R formal standing in the high school curriculum. (Examiners have) found significant drops in reasoning ability among older teen-agers in recent years. Inner-city students, most from disadvantaged minority backgrounds, especially have been hurt by the lack of stress on reasoning.

—The Chicago Sun-Times.

FROM OUR FEB. 24 PAGES, 75 AND 50 YEARS AGO

1908: Titian Set Authenticated

BERLIN — It is finally established by Herr Manuel Wieland, the artist, that on the walls of the Royal Castle in Munich hang twelve "imperial" pictures from the brush of Titian. Dr. H. Buchheit, the historical art expert, cast doubt on the authenticity of the pictures. He said they were copies, that the originals had been destroyed, and that they did not appear in the inventory of Fickler. The truth was that copies had been made, did hang in the Palace and had been sent elsewhere. The copies were very poor works, and the present ones are in the best style of Titian. The reason they did not appear in the inventory was that they were then in the collection of Charles I of England.

1933: Germany Loses in Geneva

GENEVA — France won a victory in the vote of the Disarmament Conference here when its proposal to take up first the question of the limitation of effectives and the conversion of European armies into short-term militia forces was approved by 21 votes including those of the United States and Great Britain. The German proposal to discuss first of all the limitation of material armaments received only one vote, that of the German delegate. The German delegation, it is said, regards the overwhelming vote for the French proposal as a direct attack on the Reichswahr. It is feared in some quarters that Germany may again leave the conference and begin rearming at once.

'Back in His Box' Went The Deterred Qadhafi

By Philip Geyelin

WASHINGTON — Some people are still arguing the whys and wherefores of the 1962 Cuban missile crisis, so it is not surprising that skeptics instantly started second-guessing the Reagan administration's latest dispute with Col. Moamer Qadhafi. That is in the nature of gunboat diplomacy, now known less romantically as deterrence.

When it works, the first question is whether there was anything much that needed to be deterred. The next question is whether the gunboats — in this case, the dispatch of four AWACS reconnaissance planes to Egypt and the movement of U.S. naval forces to waters off Libya — actually did the deterring.

And so there has been a lot of rooting around in the record of who said this or that, of what did the president know and when did he know it. At his press conference last week he did not seem to know much. What he actually said — that the AWACS were on routine training exercises and that there had been no "naval movement of any kind" — was not accurate.

While "high White House officials" tried to rescue President Reagan, "informed sources" at the State Department and the Pentagon were describing in vivid detail an intricate Qadhafi plot to assassinate Sudan's President Gaafar Nimeiri and his chief lieutenants, seize the airport at Khartoum and clear the way for Libyan troops to land and consolidate the coup.

Meanwhile, officials in Egypt and Sudan said it was no big deal — even as Washington sources were reporting authoritatively that Egypt's President Hosni Mubarak had specifically appealed for a U.S. show of force.

It sounded fishy, the more so when you cast it in the context of the vendetta that the Reagan administration has had going with Col. Qadhafi from the start. Not that the Libyan strongman has not done more than enough to qualify for the title of "international terrorist." But to Alexander Haig he was the number one international nasty and provided a worthy test of a superpower's power.

You have only to recall what Mr. Reagan made of the "Battle of the Gulf of Sidra" in 1981, when two outgunned Libyan jets mindlessly attacked a pair of U.S. Navy fighters and were quickly dispatched. From the deck of a carrier off California, an exuberant Ronald Reagan held forth: "Let every friend and foe alike know that America has the muscle to back up its words."

So one had to wonder whether the Reagan administration was not again making a big deal out of a little deal — except that this time, with only a few excesses, the performance pretty much fit the public relations.

My guess is that Mr. Mubarak did have reason to believe that Col. Qadhafi had a coup working against the Sudanese; that Mr. Mubarak received about the right amount of U.S. reinforcement; that a plot was nipped. More important, the Reagan administration seems to have a more realistic perception of Col. Qadhafi than it had two years ago.

"The net of the whole thing," said Secretary of State George Shultz, "is that the president ... acted quickly and decisively and effectively, and, at least for the moment, Qadhafi is back in his box where he belongs."

Mr. Shultz cited the Libyan leader's "reprehensible" record and warned that he would probably be making more trouble in the future, which is why the United States needed to let him know "that we know what's going on."

Why did the Egyptians and the Sudanese play it down? The answer takes us back to gunboat diplomacy. It is a form of communication that



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is not all that easy to fine-tune. The Reagan administration had the usual incentive to celebrate what would appear to be a useful piece of work, though not in the chest-thumping style of the days of Al Haig. That is part of the Shultz difference. Moreover, the incident sent a useful message, not to Col. Qadhafi alone, but to the rest of the world.

But Mr. Mubarak, in particular, has a different international public relations problem. He is seeking to restore Egypt's pre-Camp David position in the Arab world. Also, he fancies Egypt as a force among the nonaligned, soon to hold their annual conclave. Highly visible military-strategic collaboration with the United States does not help.

Neither does gloating. Anwar Sadat was given to putting down Col. Qadhafi as "that child, that mental case next door," on the theory that to build him up as a threat would only make him look bigger.

What we have seen in the apparent discrepancies in what is being said in, say, Cairo and Washington is not so much a conflict of purpose as a conflict of interest in publicity.

The Washington Post.

Let India Help Dis-align the Movement

SINGAPORE — After World War II the Nonaligned Movement spearheaded the anti-colonial and anti-imperialist drive which liberated the vast majority of its members. This is a historical achievement. In the Cold War era the Nonaligned Movement strove to preserve the independence of its members from the efforts of the two superpowers to enslave smaller nations into great power struggles.

Historically the Nonaligned Movement has provided collective strength to resist the blandishments of great powers.

In recent years nonaligned members have awakened to the realization that the movement is incapable of providing safety for its members, not only from big predators outside the movement but even from members of the movement who nurse imperial dreams of their own or the more modest ones content with being proxies for their more powerful benefactors.

The movement appears to be irresolute before attempts to wean it away from its neutrality and its determination to protect the integrity of its members. In two recent cases — Cambodia and Afghanistan — we have not only been outwitted by the aggressors and their proxies in the movement into not extending a helping hand to the victims, but also into not raising voices of protest, on the grounds that we are unable to make out who is aggressor and who is victim.

The Afghanistan crisis raises the question whether a country which is militarily superior can with impunity invade a weaker country and dictate the socio-political direction of that country in furtherance of its own interests. At no time did the movement condemn the invasion.

Despite three years of ruthless military action, the Soviet Union has failed to subjugate the courageous people of Afghanistan. The resistance continues despite the augmentation of Soviet troops in the country from 85,000 at the time of the invasion to 105,000 or more by late 1982. It is reported that the Soviet Union has suffered between 10,000 and 15,000 casualties. Soviet

The excerpts published here, as obtained through a diplomatic source, are from a paper prepared by the government of Singapore for distribution to delegations at the seventh summit conference of the Nonaligned Movement, to be held in New Delhi from March 7 to 11. The sixth summit was held in Havana in September 1979. India will now succeed Cuba as chairman of the movement.

control of the country remains limited to the capital, while most of the Afghan countryside is under the resistance.

The Afghan resistance has proved that sheer might could not cow a determined and fiercely independent nation into subjugation.

Vietnam, a member of the Nonaligned Movement, invaded Cambodia, another member of the movement, in December 1978. Today, four years after the act of aggression, about 160,000 Vietnamese troops remain in occupation of Cambodia. Vietnam has appointed a puppet regime to camouflage its continued occupation of the country. Until today the Nonaligned Movement as a whole has not condemned the Vietnamese military intervention.

Since 1979 the United Nations has overwhelmingly voted for resolutions calling on Vietnam to withdraw its forces and to allow self-determination. The United Nations has also, by its continued recognition of the government of Democratic Kampuchea, denied Vietnam legitimacy of its occupation of Cambodia.

Tragically, it was left to the movement under Communist chairmanship to reward the aggressor and punish the victim by the unsentimental of Democratic Kampuchea at the Havana summit. Members of the Nonaligned Movement should ponder over the dangers of the precedent set by these unfortunate events.

The convening of the seventh summit conference in India offers an opportunity for the movement to return to the true path of nonalignment and to make nonalignment relevant to the challenging political and economic problems of our times. The question is whether such reorientation will be real or cosmetic.

Is the movement too deeply divided by those for whom nonalignment is a smoke screen for their or other people's dreams of world domination? Will both host and members alike be too preoccupied with making the summit appear a success through a semblance of unity and superficial compromises? The Havana summit was the lowest point of degradation the movement has so far reached. At New Delhi we can begin the struggle upward to win back the respect and hope the movement once attracted.

India, together with some other members of the Nonaligned Movement, had in the 1960s nurtured a position that was, by large, principled in the context of the struggle between the two superpowers. India helped to sustain the unity of the movement even as its own influence waned in the 1970s. The hosting of the seventh summit is a signal of Indian readiness to bring some weight to bear on the movement.

The moral universality espoused by India in the Cold War has given way to more pragmatic calculations of national interest. This is not illegitimate. By taking on the responsibility of the chairmanship of the nonaligned summit, India has nevertheless revived the interest of others in its historical commitment to nonaligned principles and the ideals of moral international conduct. Can India be nonpartisan in regard to the issues of aggression, foreign occupation, intervention and colonial domination perpetrated against nonaligned members? The trade-off between diplomatic expediency and principle will tax India's ingenuity and qualities of leadership.

After the seventh summit, members of the movement cannot but judge whether, on the key issues facing the movement, the New Delhi summit has merely blessed the self-degradation at Havana or rescued it from the broil area into which it had wandered.

International Herald Tribune.

Spain: Hardly Begun, the Party's Already Over

By Victor de la Serna

MADRID — A political party which less than four years ago was backed by 7 million voters in Spain's general election, and was the undisputed moving force behind the country's return to democracy, disappeared last week. For all practical purposes the Union of the Democratic Center (UCD) has ceased to exist.

The story of its instant rise to power and abrupt demise, all within six years, is without parallel in modern European politics.

The end of the line came on Friday when the party chairman, Landelino Lavilla, and his national committee resigned. The internal disputes that had torn the party apart and prompted the defection of many leaders to other parties to the right and left only accelerated after the UCD's poor showing in October's elections, when it lost more than 5 million votes and 150 seats in the Cortes.

Despite Mr. Lavilla's attempts to rebuild the party, the disintegration process never stopped. In the end, debts and dim prospects for next spring's local and regional elections triggered the collective resignation of the UCD leadership.

Debts may be as high as 5 billion pesetas (about \$40 million). With almost no dues-paying membership, the party had no hope of repaying. Most creditor banks have already written off their credits to the party.

Mr. Lavilla's overtures to the right-wing Popular Alliance for a coalition in the coming elections were ignored by its chairman, Manuel Fraga. Mr. Fraga, repeatedly snubbed by the UCD when the centrists were in power, is now the leader of the opposition to Spain's Socialist government.

If the demise of the UCD was sudden, its agony was protracted. Internal strife had been apparent ever since Adolfo Suarez hurriedly put together a party in the spring of 1977 with the basic purpose of winning free elections. Mr. Suarez, a classic con-

servative party as the lone alternative to the Socialists. They have such a system now, but not quite as they planned. Parliament, in the current legislature, has indeed become basically a two-party affair, but the Popular Alliance has half as many seats as the Socialists, and some doubt it can ever become a majority party in future elections if it fails to shed its archconservative, Francoist image.

These are hard times for centrists. "Polarization" is a common word in

the Western democracies, but in Spain a moderately strong centrist group still appears to be needed in any non-Socialist coalition with a reasonable chance to win power.

Perhaps Mr. Suarez can still resurrect centrism in Spain. He jumped the UCD ship last summer to create a new party, the Democratic and Social Center, which is trying to recapture the early, reformist spirit of the UCD. It is a tiny party, with just two seats in the Cortes, including Mr. Suarez's. But at least it exists.

International Herald Tribune.

Disaster in Turin

Sixty-four people suffocate or are burned to death in a cinema fire in Turin, and this news is reported in five lines in "For the Record" (IHT, Feb. 16). I am outraged.

ABEN RUDY,
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It is not an easy matter to discern the moral distinction between a Klaus Barbie and an Ariel Sharon.

JOHN V. WHITEBECK,
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On Viewing Poland

Regarding "Arguments For a Different Balance in the Western Picture of Poland" (IHT, Jan. 19):

As a member of the Polish trade union NSZZ "Solidarnosc," I feel it my duty to clarify for readers some misconceptions under which Prof. Adam Bromke appears to labor.

Solidarnosc is not just a "beautiful dream," but the result of a strong self-preservation instinct on the part

of Poles. The open formation of the independent and self-governing trade union was the next logical step for Polish society in its struggle to change a totalitarian system whose aim is to bring about utter psychological demoralization, thus threatening the society's capacity for work and undermining the Polish people's existence as an autonomous society and an independent state.

We Poles had no choice. If we wanted to keep a semblance of dignity we had to struggle, even if the chances of victory were slim. For those who have not faced such a situation, this is hard to understand.

Prof. Bromke mentions rationalization of the economic system. A basic prerequisite for overcoming the economic crisis is the reinforcement of efficient work, along with the motivation for it, by incentives. People are working for themselves and for improved conditions in their country. The present attitude of the Polish authorities does not allow for this.

I join wholeheartedly with Prof. Bromke in the idea of a "Polish Marshall Plan." Solidarnosc has,

since its birth, struggled for such a plan. Yet we have also always believed that such a plan could be used when Polish society itself has a fair say in the running of the country's economy. This is not yet the case.

It is extremely important, and not useless, as Prof. Bromke claims, for the Poles to know that they have the support of Western nations. And Solidarnosc lives whether Prof. Bromke likes it or not, because it is an essential element of Polish society.

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Brussels.

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Considering Brother Reagan's opposition to the Equal Rights Amendment, Mr. Hines might add this passage to the list: "There is neither Jew nor Greek, there is neither bond nor free, there is neither male nor female; for we are all one in Christ Jesus." — Galatians 3:27-28.

VIRGINIA CHAQUET,
Saint Paul, France.

Creative Ceramics In Japan

By Hobart Rowen

WASHINGTON — About 15 years ago a British scientific journal published the first article that anyone can remember about an exciting idea: Automobile engines, it reported, could be made out of ceramic material instead of metal. Such lightweight and thermal-efficient engines would have stunning advantages — especially a 30-percent reduction in fuel consumption. And the engines would practically never wear out.

No one in the West considered this more than a pipe dream. But, you guessed it, the article came to the attention of the Japanese government and Japanese businessmen.

The Japanese government has committed \$460 million in research and development money for a 10-year exploration of new industrial materials, biotechnology and so-called new function elements in electronics. Research on uses of ceramics was part of the R&D package.

So a few weeks ago on a visit to Japan to study these new high-tech programs, Lionel H. Olmer, a U.S. undersecretary of commerce, drove the world's first car with a ceramic engine, on the grounds of Kyocera Corp., or Kyoto Ceramics. "It's an experimental model and it idles sort of rough — but it works," that's the main point," Mr. Olmer said later.

Kyocera is commercially producing ceramic components for diesel engines. And Mr. Olmer says in a report on his trip, "It is anticipated that ceramic parts — including turbine blades — will be usable in ships and aircraft, eventually."

The experimental ceramic engine is a good example of why Mr. Olmer argues that American manufacturers trying to compete with Japan are dealing with "a moving target." Merely slapping quotas on Japanese cars for a fourth year — as Tokyo, under U.S. pressure, has agreed to do — is a pitiful Band-Aid for Detroit, which seems unable to meet Japan's creative challenge.

Mr. Olmer says in a departmental report that Japan concentrates on high technology because success there makes all Japanese industries more competitive.

Any company could have pursued the idea of a ceramic automotive engine. But it was a Japanese company that pressed ahead, its instinct for innovation supported importantly by government direction and money.

Mr. Olmer says that it would be a mistake to attribute these successes just to governmental backing. Entrepreneurial skills of private management, the dedication of a nonunion labor force and just plain common sense are also factors.

Mr. Olmer cites two examples:

• Originally, an American company developed a kind of crane to lift airplane fuselages off the assembly line and whirl them in midair while the assembly crew listens for rattles. That is what the Japanese do — and American makers do not do — in assembling U.S.-designed F-15 fighter aircraft. As a result, Japanese-made F-15s don't rattle.

• A recent U.S. study shows that, typically, about 75 percent of an American worker's time is spent looking for the right tools and parts, and only 25 percent at the actual assigned task. The Japanese have reversed these percentages, tripling actual work time; by providing each worker with a simple plywood cart in which he stores his tools and parts.

The West has scoffed at the Japanese as imitators of Western technology. But Mr. Olmer quotes Thomas Edison's definition of genius — 99 percent perspiration and 1 percent inspiration — to suggest that Japan's special creativity is "incremental improvement," which is just as important as "a blinding flash of insight."

The Japanese have become either pre-eminent or equally eminent in many high-technology fields, including ceramics, carbon fibers, robotics, computers, semiconductors and machine tools. Japan has benefited substantially from a transfer of technology from the West, and often has been more alert to the potential of an invention than the inventors.

The Washington Post.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority; all letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

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Creative Barbie Case Reveals French-German Tensions

By William Drozdiak
Washington Post Service

BONN — An episode of the 13-part series "Europe Under the Swastika" was drawing to a close recently when the television screen filled with grisly pictures of corpses of French people victimized by Adolf Hitler during the Nazi occupation.

The German narrator intoned that the multitude of informers and deputy torturers who abetted the Nazi rape of their own country had been forgiven or forgotten — "as is always the case in France."

After marking the 50th anniversary of Hitler's rise to power with an agonizing self-appraisal of the Nazi era, Germans are watching with a touch of *schadenfreude*, or malignant delight, as the French try to cope with tales of collaboration that have emerged since the arrest of Klaus Barbie, the former

Nazi known as "the butcher of Lyons."

France and West Germany celebrated last month the 20th anniversary of the signing of a postwar friendship treaty with an exchange of state visits by their two leaders, Chancellor Helmut Kohl and President Francois Mitterrand, who hailed the intimate economic and political ties now linking the two countries.

Yet, despite the remarkable metamorphosis involved in the shedding of decades of enmity, old suspicions and resentments from the Nazi years continue to percolate in both countries.

West Germans disdain what they perceive as France's lingering self-righteousness about the war, particularly what they see as a reluctance to debunk myths of French resistance. And more than any other of West Germany's

neighbors, France fears a resurgence of German nationalism in the guise of a swing toward neutralism. That position in turn evokes exasperation in West German political circles.

When Barbie was deported from Bolivia two weeks ago and flown to France after decades of exile in South America, the French press worried that a resurrection of outrage over his crimes might damage the warm relations so recently toasted in Paris and Bonn.

Rather than recoil in shame over tales of atrocities, many West Germans fastened onto accounts of the Frenchman who facilitated Barbie's notorious reign in Lyons.

"France, too, must now preoccupy itself with its unconquered past," wrote Joseph Rovani in *Die Zeit*, the political weekly newspaper. "The dimensions of collaboration should be totally uncovered."

German television programs since Barbie's arrest have consistently had a leitmotif that France should come to terms with the sordid aspects of its war history, just as West Germany has done this year with a series of programs and exhibits analyzing the Nazi era.

The absence of breast-beating in Germany over the Barbie case underscores the conviction among a new generation of Germans that they cannot be held responsible for Nazi horrors beyond their imagination.

At the same time, many Germans resent the lectures coming from Paris about the dangers of a drift toward neutralism or away from the Atlantic alliance in the vain search for a reunification with East Germany.

In a speech to the West German Bundestag last month, Mr. Mitterrand assailed "all those who would

bet on a decoupling" between Europe and the United States. He endorsed the stationing of Pershing-2 and cruise missiles in Germany if U.S.-Soviet arms control talks fail, and he ruled out bringing France's nuclear deterrent force into those negotiations.

Differences over those two key issues have badly divided French officials and West German Social Democrats, who have been striving to encourage compromises that would keep new missiles out of West Germany.

"The French claim about neutralism is absolute stupidity and nonsense," said the Social Democrats' disarmament expert, Egon Bahr, in an interview. "Mitterrand is the real successor to de Gaulle, who favors every U.S. weapons system in West Germany so long as he does not have to take them in France," he said.



Juan Garcia Carres, center, was surrounded by newsmen Wednesday as he left a Madrid clinic where he has been imprisoned. Mr. Carres was the only civilian convicted for taking part in the attempted overthrow of the government in 1981.

Spain Frees 7 Jailed in '81 Coup Plot

MADRID — Seven men convicted of plotting a coup in Spain were released from prison here Wednesday, the second anniversary of their attempted military takeover. The Spanish government, meanwhile, was preparing to present wide-ranging military reforms on Thursday.

Six officers who joined Lieutenant Colonel Antonio Tejero Molina's assault on a crowded parliament, and the only civilian tried for his part in the plot, were freed at the end of their two-year sentences. But their release was provisional pending a government appeal.

Sentences handed down last June by the military court were well below those sought by the prosecution. This prompted the government to seek an appeal, which is expected to be heard around April this year.

Only the two plot leaders were given the maximum 30-year sentences sought by the prosecution, and 11 of the remaining defendants were acquitted. The 20 others were jailed for between one and six years.

The Socialist government has said it intends to create a smaller and more professional corps with less time for intrigues. The reforms aim to reduce the army by about 90,000 from 250,000. They would also improve equipment and training while redeploying troops and commands.

Schmidt Calls on U.S. To Initiate Recovery

BONN — The United States must take the lead in fighting the world recession, former Chancellor Helmut Schmidt said Wednesday, and he said it could lose its position in the international political leadership if it failed to do so.

Presenting an article to be published in five major publications, Mr. Schmidt said that unless governments worked together, the international economy might slide into a persistent depression for the second time this century.

The organizations publishing the article are Die Zeit, Hamburg; The Economist, London; Le Monde, Paris; Panorama, Milan; and Nihon Keizai Shimbun, Tokyo.

"Cooperation between North America, Japan and the European Community is decisive for the well-being of the world economy," he said.

Mr. Schmidt also called for a strengthening of international monitoring of the banking system, measures against currency fluctuations, a greater role for international lending groups and for improved safeguards against excessive debt.

Mr. Schmidt, a Social Democrat who was chancellor for eight years before being removed in a parliamentary vote in October, wrote the article with Manfred Lahnstein, who was finance minister in the final months of his government.

He said that concerted economic action must be the highest priority when leaders of the top seven Western industrial nations — the United States, Canada, Japan, West Germany, France, Britain and Italy — meet in May in Williamsburg, Virginia.

With existing from the three rounds of last week's voting continuing Wednesday, Prime Minister Indira Gandhi's Congress-I Party was winning easily, as expected. Congress-I candidates had won 77 seats in the 126-member state assembly, with seven others going to independents and five to minor parties.

The Congress-I victory was virtually assured by a boycott by the local Assamese and a sympathy boycott by the major opposition parties. The Congress-I Party also won both the elections for parliamentary seats that have been decided so far.

Twelve seats in the national legislature were to be filled, but election violence prevented voting in seven districts, as it did in 18 legislative assembly constituencies. Election officials said the seats would remain vacant indefinitely.

Opposition members of both houses of Parliament condemned the holding of the elections under widespread threat of violence. Opponents accused Mrs. Gandhi of using "Hitlerite tactics" and of forcing the elections to be held under the point of a gun.

An official report said Indian Army troops were rushed into two areas of the northern Darrang district to quell Hindu-Muslim violence in the past two days. It said that 15 persons were killed, including two hit by police bullets when they tried to take ballot boxes from election officials.

Forty bodies also were recovered Wednesday in northeastern Lakhimpur district and 10 were collected in northwestern Goalpara district, the reports said. Another three persons died, including one shot by police, in fighting Wednesday in the Nowgong district.

Those deaths would push the unofficial toll to at least 1,245 fatalities.

The employees returned to their posts in most government offices, including banks and post offices, the United News of India reported from Gauhati, Assam's main city 550 kilometers (about 340 miles) northeast of Calcutta.

The government workers had taken part in a boycott called Feb. 2 by a student-led, anti-immigrant movement to protest the holding of the elections in Assam. The movement sought to prevent thousands of immigrants from Bangladesh from voting.

Hanoi May Reduce Troops in Cambodia

By Colin Campbell
New York Times Service

HANOI — The government of Vietnam said Wednesday that it plans to withdraw some of its troops from Cambodia this year and that it would consider yearly withdrawals after that.

It insisted, however, as it has before, that its military occupation of Cambodia would not end until China stopped threatening Vietnam, and until all support to Cambodia's anti-Vietnamese insurgents had stopped.

Western and Asian diplomats had been expecting Hanoi to make a statement on Cambodia shortly before the conference of non-aligned nations, scheduled to open March 7 in New Delhi.

Many of the countries in the nonaligned movement have condemned the occupation of Cambodia and lately have urged India, which is about to assume the group's chairmanship from Cuba, to invite Prince Norodom Sihanouk to address the conference. The prince, the former Cambodian chief of state, is a founder of the nonaligned group.

Since June 1982, he has been president of the anti-Vietnamese coalition that the United Nations recognizes as Cambodia's official government.

In July, at an Indochina foreign ministers' conference in Ho Chi Minh City, Vietnam announced that some of its troops would be withdrawn from Cambodia. Although several thousand troops were pulled out, some Western governments contended that fresh troops soon replaced them.

Vietnamese soldiers in Cambodia are still widely estimated at around 180,000, a figure that is not believed to have changed greatly in four years.

The new withdrawal offer came just after the close of a two-day conference of Vietnam, Cambodia and Laos. The meeting conference was said to have taken place Tuesday and Wednesday in Vientiane, the capital of Laos.

In Hanoi Wednesday night, Vietnam's foreign minister, Nguyen Co Thach, said the Indo-

china summit had been attended by Vietnam's party chief, Le Duan, and Prime Minister Pham Van Dong, as well as by the top party and government leaders of Laos and Cambodia.

The Indochina officials urged "more cooperation in all fields," especially economic areas, and emphasized their close links with the Soviet Union and their distrust of China.

They also expressed "their desire to have normal relations with the U.S.A." Only Laos now has diplomatic ties with Washington.

The nonaligned nations also include Indonesia, Singapore and Malaysia, all of which oppose Vietnam's occupation of Cambodia.

Man Killed by Elephants

NAIROBI — A herd of elephants chased a honey collector through the Irangi forest near the slopes of Mount Kenya and trampled him to death, the police reported Wednesday.

Longstanding Conflicts Underlie Assam Crisis

By Barbara Crossette
New York Times Service

NEW YORK — The violence in India's Assam state, touched off by a student-led campaign to boycott and disrupt last week's state elections, has its roots in religious, political, ethnic and economic resentments.

"These were minor resentments," K.R. Narayanan, India's ambassador to the United States, said Monday in an interview. "But they were magnified into political conflict when the students began their agitation several years ago."

Assam is largely cut off from the rest of India by Bangladesh. It was an independent kingdom for more than 400 years before it became a part of the British empire in 1826. Its years of sovereignty gave its people a sense of separatism that has proved a problem for India almost since independence.

The state is populated by indigenous Assamese, who are largely Hindus, as well as by several tribes who practice forms of Hinduism or animism. Many of the tribal people have been converted to Christianity. They are hill people with little love for the people of the plains and the Brahmaputra River valley.

Over the years ethnic Bengalis from what is now the Indian state of West Bengal moved to Assam. Many Bengalis — some Muslims, some Hindus — were introduced into Assam under British rule when the former kingdom was administered as part of Bengal.

Russia to Test Quail Hatchery In Outer Space

MOSCOW — Communist scientists are planning a quail hatchery in outer space to provide fresh eggs and meat for astronauts on prolonged space missions.

Tass, the Soviet news agency, said Tuesday that Soviet and Czechoslovak scientists have designed a special container for quail eggs that will keep them motionless and at a constant temperature in space flight.

"If the experiment proves a success," the report said, "this will lay the beginning for the creation of mini-quail farms in conditions of weightlessness to supply cosmonauts with food during lengthy flights."

It said the quail was chosen because its eggs hatch in 15 to 17 days, while a chicken egg needs 21 days. Also, quail hens begin to lay in 35 to 40 days while chickens must wait five to six months.

Japanese Official Sees Soviet Arms Buildup in Orient

TOKYO — A significant Soviet military buildup is under way in the Far East, Kanto Tanikawa, the director of Japan's Defense Agency, told a parliamentary committee Wednesday.

Speaking at a Security Affairs Committee meeting, Mr. Tanikawa said the Soviet Union has deployed between one-fourth and one-third of its nuclear and conventional weapons in the Far East, including SS-20 medium-range nuclear missiles.

"There is a marked increase in activity by Soviet forces in the Far East, increasing the potential threat," Mr. Tanikawa said. Japanese military sources said recently that the Soviet Union had deployed about 90 SS-20 missiles in the Far East.

Mr. Tanikawa also reaffirmed Japan's objection to a Soviet plan, announced last year, to transfer some of the SS-20 missiles based west of the Ural Mountains to Siberia if an agreement is reached for reduced missile deployment in Europe.

Japan lodged a formal protest of the plan with the Soviet Union last month, and China also expressed opposition to it.

S. Korean Sentenced To Death for Spying

SEOUL — A South Korean woman was sentenced to death Wednesday on charges of spying for North Korea and of trying to foment unrest in the south, court officials said.

Kim Yong Hee, 26, a student, was found guilty of violating the country's national security law by passing information to North Korea about social conditions in South Korea. Three co-defendants, including a brother of the condemned woman, were given jail terms ranging from three years to life imprisonment.

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SCIENCE

Studies Show How
The Nose Knows

By Jane E. Brody
New York Times Service

NEW YORK — How can a worker in a rendering plant enjoy his lunch despite the noxious odors? Why do people lose the smell of gas soon after entering a room with a small gas leak, even though the leak persists? How can something smelled today evoke memories from years past? Do women have a keener sense of smell than men do? Why does the common cold interfere with the taste of food?

New studies of the sense of smell are shedding light on these and many other questions about human odor perception. Although smell is a far more acute sense than taste, it has so far received much less research attention.

Until recently, many who studied odor focused on classification: from Plato, who categorized smells as "pleasant" or "unpleasant"; to Linnaeus, who 2,100 years later proposed seven qualities: aromatic, fragrant, musky, garlicky, goaty, repulsive and nauseous; to a Dutch physiologist of the 20th century who added "etheral" (fruity) and "emphyreumatic" (burnt organic matter), plus a host of subdivisions, to Linnaeus's classification.

Now researchers have abandoned efforts to catalog odors and instead are studying how people detect and interpret them, what can be done to get rid of noxious odors, and what causes the sense of smell to fail. They have found, among other things, that the human sense of smell is much better than previously thought.

Although the average person, when blindfolded, can correctly name only a handful of common odors, studies at Yale University showed that this limitation resulted from an inability to think of the names of odors rather than a failure to detect differences between odors. After a preliminary test in which people were given the right names for odors, they were able to name correctly all or nearly all of 80 different odors, suggesting that, with proper labeling, the list could be extended to hundreds.

"In other words," said Dr. William S. Cain, who directs the Yale research, "the human nose knows more than we realized." His studies have shown that, contrary to common belief, women are not better able to detect odors than men, but that "they are more aware of the odor environment and can identify many more odors than men can."

Based on their finding that

human odor perception is keen but "poorly linked to language," Dr. Cain and his colleagues have devised a new test to help doctors detect abnormalities of the sense of smell. Instead of having patients think of the names for odors, the test gives them a multiple-choice list from which to select the names of odors they can smell.

Abnormalities in the sense of smell can aid in the diagnosis of a number of disorders, including brain tumors, head injuries, occupational exposure to toxic vapors or dust, epilepsy, nasal obstructions and various infections.

At a new taste and smell clinic at the University of Connecticut at Farmington, researchers are finding that the overwhelming majority of patients complaining of a loss of taste really have something wrong with their ability to smell. The clinic is one of two "chemosensory" research and treatment centers (the other is at the University of Pennsylvania) recently established under grants from the National Institute of Neurological and Communicative Disorders and Stroke, in part to help the more than 2 million American adults who cannot smell and taste normally.

Dr. Linda Bartoshuk, a Yale taste expert and a principal investigator at the Farmington clinic, said: "We've found that people who've never been able to smell don't seem to realize what they're missing, but those who lose the sense of smell later on are devastated." People who cannot smell can taste only sweet, sour, salty and bitter — no subtle flavors such as chocolate or herbs.

The cause of a loss of taste is often simple and correctible: a polyp or scar tissue in the nose or swelling due to an allergy, Dr. Bartoshuk said. Yet, she added, patients are often shunted from doctor to doctor and not taken seriously or offered much hope.

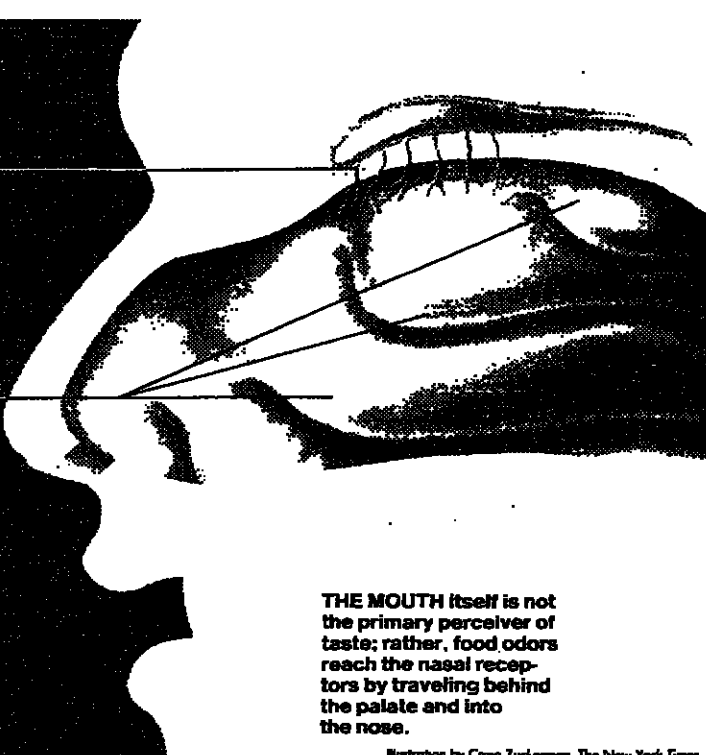
The anatomy of the sense of smell is simple at its beginning but becomes highly complex once the olfactory messages enter the central nervous system and spread out in a maze to a number of different brain centers, Dr. Cain said.

For a person to smell something, air containing odoriferous molecules must reach a tiny cluster of specialized nerve cells (neurons) at the top of the nose just above the bridge. There are about 5 million of these receptor cells in each of the two nasal cavities. Air inhaled through the nose first passes across a series of bones, the turbinates,

Anatomy
Of The Nose

THE OLFACTORY NEURONS or receptors are specialized nerve cells that perceive odors. Each nasal passage contains five million of them.

THE TURBINATES are bones over which air passes to reach the receptors. Sniffling causes swirling currents in the nose, enhancing the sense of smell.



THE MOUTH itself is not the primary perceiver of taste; rather, food odors reach the nasal receptors by traveling behind the palate and into the nose.

Illustration by Craig Zuckerman, The New York Times

before a small amount makes its way to the receptors. "When you sniff, you create eddy currents that force air into the upper portion of the nose and greatly increase odor perception," Dr. Cain said.

Flavors, which are primarily smells rather than tastes, are perceived differently. When food is put in the mouth, odors travel up the back of the nose until they reach the receptors.

Olfactory neurons are the only nerve cells in the body that regenerate, replacing themselves once a month or two. Thus, people whose olfactory neurons are accidentally damaged, say, by a blow to the head, may eventually regain their sense of smell.

Once triggered by an odor, the olfactory neurons send messages through nerve fibers to the olfactory bulb, two lobes at the base of the brain at about eye level. But olfactory messages don't stop there. They also travel to brain regions involved in cognition, emotion and other activities.

These many connections may explain the ability of odors to evoke strong memories, Dr. Cain said. "The smell of cressets may prompt you to recall your grandmother's beach house, which you haven't smelled in 50 years. Odor memory is very long-lasting. Our studies show that, unlike other senses, there's really no significant decay of odor memory."

Preferences for odors are not inborn but are gleaned from experience, which is why one group of people may like an odor that an-

other finds repulsive. Members of certain African tribes, for example, perfume their hair with rancid fat. Studies of children have shown that, as they get older, their "hedonic reactions," their pleasure or displeasure when exposed to odors, widen and deepen from mild preferences to intense liking or disgust. "Very young children seem indifferent to odors, which is why an infant can play with his feces, an odor that adults find disgusting," Dr. Cain noted.

Sensitivity to odors declines in the elderly, as a result of lost perceptual ability and impaired brain function. People get used to odors, even those that initially are extremely unpleasant. In a study involving repeated exposure to the smell of sweaty socks, people soon began to downgrade its unpleasantness. Similarly, repeated exposure to the initially pleasing smell of lemon led to a decline in pleasantness.

"There is a drift in reactions to odors toward hedonic neutrality," Dr. Cain said. Studs Terkel, in his book "Working," quotes a worker in a rendering plant: "The odor was terrible, but I got used to it. It was less annoying when you stayed right in it. When you left for a week or two, a vacation, you have to come back and get used to the thing all over again."

Dr. Cain's studies showed that adaptation to odors occurs both in the olfactory neurons and in the brain. The brain also learns to sort out individual odors, one of which may initially be masked by the in-

tensity of another. Thus, the rendering plant worker is able to taste his lunch, whereas a visitor to the plant would be overwhelmed, unable to "taste" anything but the plant odor.

Dr. Cain is now studying odor tolerance and control from an energy-saving perspective. Volunteers sit in a tightly controlled environmental chamber giving off various odors while large volumes of air enter the chamber through a sieve-like floor with 14,000 holes. The smell of the air vented out of the room is evaluated by human "sniffers" (no mechanical equivalent of the human smell perception has yet been invented).

In a study with Dr. Brian P. Leaderer, Dr. Cain found that "normal" levels of cigarette smoking in the chamber increased the need for ventilation five-fold to achieve desired odor control. The pollution level in a normally ventilated room where people were smoking exceeded acceptable outdoor pollution levels, as measured by total suspended particulates.

"There's a lot of interest now in energy-saving demand ventilation systems that operate in response to the need at the moment," Dr. Cain said. "We want to know, for example, how long the ventilation system has to run to get rid of contaminants after people leave a room. We find that the odor of cigarette smoke lingers and lingers, and may actually get worse in a closed-up room after the occupants have left."

Optimism Rising on Cancer

By Philip M. Boffey
New York Times Service

WASHINGTON — Scientists believe they are closing in fast on the secrets of cancer, a disease that has mystified them for centuries.

The chief reason for their optimism is the astonishing progress made in recent years toward understanding the genetic factors involved in cancer. Whereas cancer is often considered a hundred or more different diseases, the latest research suggests that most or all forms of cancer may result from a small number of genetic events that cause cells to grow out of control.

Once scientists understand that phenomenon at a molecular level, there is a distinct possibility, though by no means a certainty, that they can devise ways to block it, thus preventing the development of cancer or curing it once it is detected.

But almost all experts caution that breakthroughs in knowledge about how cancer develops will not necessarily produce breakthroughs in techniques for treating it. That is simply their hope.

Although the sense that cancer research is moving faster than ever has been growing for some time, optimism is now taking the form of dramatic statements. In perhaps the boldest expression of hope so far, the British scientific journal *Nature* recently said that "1983 may be the year in which carcinogenesis is finally understood." The magazine cited "the richness" of recent research findings as evidence that "for the first time, there is a chance of getting to the bottom of the phenomenon of cancer."

Dr. Lewis Thomas, chancellor of the Memorial Sloan-Kettering Cancer Center in New York, looks for "the end of cancer before this century is over." He recently wrote, "I now believe it could begin to fall into place at almost any time starting next year or even next week, depending on the intensity, quality and luck of basic research."

"If anybody had said five or 10 years ago that by the year 2000 we may not have cancer, he would have been wrapped in a white jacket with his hands tied behind him," said Vincent T. DeVita Jr., director of the National Cancer Institute, a federal agency. "But those are not outlandish statements any more. The speed of advance has been enormous."

Frank J. Rauscher Jr., senior vice president for research at the American Cancer Society, called the last few years of progress in a number of cancer research fields "an incredible thing."

"We made steady progress for the past 50 years but it was a pretty flat upward curve," he said. "Now we have a better base from which to make a quantum jump than ever before. This is one of those very rare times in the history of biology in which we seem ready to make one hell of a jump."

Nevertheless, some leading scientists are urging caution against premature euphoria. They note that there have been past waves of enthusiasm — for research on cancer viruses, chemical carcinogens and interferon, for example — yet cancer continues to elude final control. And many of those who are enthusiastic about the latest findings are always under pressure to justify large expenditures on cancer research.

Norton Zinder, a virologist at Rockefeller University who headed a major critique of an earlier government cancer program that failed to live up to expectations, said: "I find everything that's happening very exciting. It's all new. It's all interesting. It opens up a whole new vista, a whole new era. For the first time it looks like we're on the right track. But we just don't know where it's going to take us. If we start promising cures, we will make a tragic mistake."

The recent advances are causing a major shift in federal research financing patterns. The National Cancer Institute reports that applications for research

grants are flooding in from top scientists who want to study the genetic mechanisms underlying cancer. The institute expects to spend \$46 million for this in fiscal 1984, compared with almost zero a few years ago. Five cancer scientists shared the most recent Lasker Award for basic biomedical research for contribution that "significantly increased our understanding of cancer at the molecular level." In accepting his share of the honor, Dr. J. Michael Bishop, professor of microbiology at the University of California at San Francisco, hailed "the coming of another dawn" which "the human intellect has finally laid hold of cancer with a grip that may eventually extract the deadly secrets of the disease."

The main reasons for the excitement are recent advances in identifying genes, called oncogenes, that appear to be involved in producing cancer. More than 100 different oncogenes have been found so far.

In normal cells, these are apparently either "switched off," or are activated under strict biological control only when the body needs a particular protein produced by the gene. But in cancer, scientists now think, the oncogene can get switched on when it should not be, or, if already on, can slip loose of the cell's normal control mechanisms to produce far too much protein. Either way, the result is uncontrolled growth of the cells.

The implications of these findings could be profound. It may well turn out that all the known causes of cancer, such as chemical carcinogens, radiation, viruses, and spontaneous genetic transformations, operate through the same fundamental mechanism. They may damage the genetic material in such a way that oncogenes are activated to produce unwanted protein that then causes cancerous cell growth.

"If so, Dr. DeVita said, it should be 'no great trick' to block the cancer-causing action of the protein product through straightforward biological methods. "Oncogenes are the single most important finding in all of cancer research over many decades," said Dr. Rauscher. "I think we at long last have identified some common denominator. . . . And now we can ask the two most important questions: What turns them on, and how do you turn them back off?"

He predicted that scientists would learn how to manipulate the oncogene phenomenon to protect or treat patients "within the next two to five years." It has already been shown, he said, that when oncogenes are turned off in cancerous mice, their cells revert to normal. "There is a high possibility that oncogenes can be manipulated for treatment," he said.

Cancer researchers are also excited about the potential of "monoclonal antibodies," specially designed proteins that may be able to seek out and destroy malignant growths in the body without causing widespread damage to normal cells. And they hope that other "biological response modifiers," such as interferon, may prove able to stimulate the body's normal immune system to shrink tumors.

But researchers caution that the recent gains may not, when all the returns are in, actually yield a breakthrough in preventing or treating cancer. Much still must be learned about oncogenes, for example.

There is a lot of evidence that cancer develops through a long process involving many stages over many years. Thus it is not yet clear that a one-shot event like a genetic change is the most important point for therapeutic intervention.

Scientists are confident that they are well on their way to a deeper understanding of cancer. But advances in knowledge do not inevitably bring cures. Some critics consider it naive to expect that such a complicated phenomenon as cancer, involving many kinds of cellular interactions and environmental influences, can be explained by simple molecular events.

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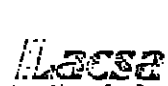
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U.S. Car Firms Say Sales Fell

DETROIT — The major domestic automakers said Wednesday that new-car sales declined 12.7 percent in mid-February from the year-earlier period, marking the worst daily selling rate in the period in 22 years.

It also was the second consecutive selling period that sales dropped below year-earlier levels. The automakers had posted year-to-year increases for 10 consecutive periods beginning in mid-October.

Wednesday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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(Continued on Page 10)

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THURSDAY, FEBRUARY 24, 1983

WALL STREET WATCH

By EDWARD ROBBACH

Picking Future Star Performers Is What OTC Watching Is About

Where's the action? While the focus on the New York Stock Exchange continues to shift, stocks traded over-the-counter are enjoying eye-popping gains.

Since the start of the year, the leading OTC composite list — setting new highs along the way — has gained 12 percent, almost twice the gain registered by the Dow Jones Industrial Average.

For all of 1982 the OTC composite climbed 18.7 percent, slightly below the 19.6 percent gain of the Dow average. But since mid-December, when the higher-capitalized blue-chip market averages staged a month-long rally, then contracted and recovered again to present levels, OTC stocks haven't missed a beat.

Volume has been heavy, too. January volume totaled 1.22 billion shares, the highest in the 12-year history of the National Association of Securities Dealers Automated Quotations. For 1982, trading was a record 8.43 billion shares, more than half, the New York Stock Exchange volume and six times the volume traded on the American Stock Exchange.

"What I look for are outfits with a niche here, an edge there in the marketplace."

There are 3,664 stocks in the Nasdaq market issued by 3,264 companies, including 256 foreign firms. MCI Communications was the most active stock traded over-the-counter in 1982, with 206.3 million shares changing hands. Of all U.S. securities, only IBM and Exxon, Big Board stocks, were more actively bought and sold last year.

Most OTC stocks are small, struggling companies — as MCI was only a couple of years ago. Upstarts with a lot of promise but a lot of risk-taking, which will make it big is one of Wall Street's most rewarding challenges.

Samuel Brinde, vice president of OTC research for Moseley Hallgarten Estabrook & Wood, themselves in the investment business since 1850, has been specializing for 15 years in picking young companies experiencing their initial growth cycles.

"What I look for are outfits, well-managed and financed, with a niche here, an edge there in the marketplace," he said. "I don't even care that much about a company taking off after I've recommended it. I can wait, sometimes for years."

Usually he doesn't have to. The average gain of the 22 stocks on his current buy list is 200 percent, not counting two stocks he has added in the last few days.

There's the case of Siliac, recommending 40 percent by January 1981 to \$25 a share after a brand recommendation at the start of 1979. The company moved its headquarters from Michigan City, Indiana to Santa Barbara, California, and won listing on the Big Board. It now trades there for about \$6 and the executive offices are moving back to Indiana.

"The idea is to get in on a company early — but not so early it's product line isn't developed," he explained, "then ride with it until the initial growth cycle slows down."

Mr. Brinde currently is highlighting six stocks. Two of them, Orion Research and Psych Systems, were added this week. The others are AFG Industries, Forum Group, Pic 'n' Save, and Supreme Equipment & Systems.

Pic 'n' Save has been the champion performer, spurring 800 percent since being recommended three years ago. Psych Systems is called "an unseasoned company with tremendous promise — my kind of baby."

The firm offers computerized psychological testing.

Mr. Brinde said investors interested in the OTC market should keep these two things in mind:

- Diversity — own as many different stocks as possible. Don't try to make a killing in any one stock.
- Patience — let your investments grow with the company.

Bull Market Seen Holding

"The bull market on Wall Street should continue as long as U.S. inflation is kept under control," predicted Marianne Gallati, portfolio manager of U.S. equities for Banque de Paris et des Pays-Bas (Suisse) in Geneva.

"Psychological fear of renewed inflation remains strong in America — that's the key," she said. "It's responsible for interest rates staying artificially high, so surprises there should come on the downside this year. Stabilized or declining rates will enhance Wall Street competitiveness for funds."

Big capitalization technology stocks are Mrs. Gallati's favorites, with IBM heading the list, followed by General Electric, which she places in that category. "Given their growth prospects and relatively low P/E ratios, they're still cheap," she said. She also likes General Instrument but considers it "more speculative."

The bank offers clients a basket of 20 to 25 smaller high technology stocks, mostly traded over-the-counter, to spread the risk. Current preferred holdings include Colgate, Evans & Sutherland and Intocom.

But she said bank investment strategy emphasizes individual stocks rather than groups. Baxter Travenol, Johnson & Johnson, Monsanto, International Paper, 3M, Westinghouse and AT&T were mentioned.

Value Line's highlighted stock this week is Pandick Press, traded OTC. The company prints financial material such as corporate prospectuses and securities registration statements.

International Herald Tribune

CURRENCY RATES

Interbank exchange rates for Feb. 23, excluding bank service charges.

	\$	£	S.M.	P.F.	A.L.	Other	S.F.	S.P.	S.K.
Amsterdam	2.6225	4.400	19.53	26.95	3.797	—	5.15	12.65	31.16
Bremen	4.731	72.445	10.705	6.94	5.083	—	—	—	—
Frankfurt	2.4235	3.488	16.03	22.35	1.294	—	—	—	—
London	1.322	—	—	—	—	—	—	—	—
Paris	1.3945	2.1770	10.42	14.38	—	—	—	—	—
New York	—	1.322	0.4737	0.6457	0.8714	—	—	—	—
Porto	4.855	10.49	—	—	—	—	—	—	—
Zurich	2.465	3.610	16.08	22.35	1.425	—	—	—	—
1 ECU	0.7927	0.2825	2.2674	3.485	1.3777	—	—	—	—
1 SDR	1.0874	0.71822	—	—	—	—	—	—	—

Dollar Values

	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$	Per \$
Italy	1.365	—	—	—	—	—	—	—	—
Japan	1.285	—	—	—	—	—	—	—	—
West Germany	1.7105	—	—	—	—	—	—	—	—
France	4.935	—	—	—	—	—	—	—	—
Canada	1.208	—	—	—	—	—	—	—	—
Spain	1.63	—	—	—	—	—	—	—	—
Sweden	2.464	—	—	—	—	—	—	—	—
Denmark	8.20	—	—	—	—	—	—	—	—
Norway	4.615	—	—	—	—	—	—	—	—
1 SDR	—	—	—	—	—	—	—	—	—

1 Sterling = 1.101 Irish L.
(a) Commercial bank (b) Amounts indicated before one pound (*) Units of 100 (c) Units of 1,000

INTEREST RATES

Eurocurrency Deposits Feb. 23

	1M	3M	6M	9M	12M	1Y	2Y	3Y	4Y	5Y
1M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
3M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
6M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
9M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
12M	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4

Key Money Rates

	Rate	Prev.	Rate	Prev.	Rate	Prev.
Discount Rate	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Federal Funds	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Prime Rate	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Broker Loan Rate	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2	11 1/2
Commercial Paper 20-277 days	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
3-month Treasury Bill	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
6-month Treasury Bill	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
12-month Treasury Bill	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2
CD's 90-360 days	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2	7 1/2

West Germany
1-month rate 4 1/2
3-month rate 4 1/2
6-month rate 4 1/2
12-month rate 4 1/2

Japan
1-month rate 5 1/2
3-month rate 5 1/2
6-month rate 5 1/2
12-month rate 5 1/2

Switzerland
1-month rate 4 1/2
3-month rate 4 1/2
6-month rate 4 1/2
12-month rate 4 1/2

Sweden
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Norway
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Denmark
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Finland
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Ireland
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Greece
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Portugal
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Spain
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2

Italy
1-month rate 8 1/2
3-month rate 8 1/2
6-month rate 8 1/2
12-month rate 8 1/2



Anthony Shephard would like minibuses to join the double-decker buses run by London Transport.

London's Maxi-Flap Over Minibuses

By Bob Hagerly

International Herald Tribune
LONDON — Anthony Shephard thinks he could improve London's bus system. For starters, he hopes to bring it closer to the level of the Third World.

Mr. Shephard, 52, a former Hong Kong transport commissioner who now works as a consultant, proposes to unleash hundreds of 16-seat minibuses in London. The minibuses would compete with the red double-deck behemoths operated by London Transport, which last year had a loss of £150 million (\$228 million) on bus services.

Passengers would hail the minibuses as if they were taxis. The riders would tell the drivers when they wanted to get out. The drivers, who would lease their buses from a

company set up by Mr. Shephard and two partners, would be motivated by the fact that they had a stake in the profit.

London would thus draw on the experience of bus systems operated in such cities as Hong Kong, Manila, Kuala Lumpur and, as Mr. Shephard put it, "all over what people are pleased to call the Developing World."

Not everyone thinks this is a great idea. David Wetzel, chairman of the Greater London Council's Transport Committee, thinks it is a terrible idea.

"Hiring pirates back on the roads of London wouldn't help at all," said Mr. Wetzel.

He and other critics, including taxi drivers and transport union members, will raise their objections March 1 when an inspector appointed by London Transport holds hearings on the proposal.

The arguments will mirror the wider debate about what kind of approach is needed to revive Britain's economy. The ruling Conservative Party is selling state-owned companies to private investors, while the Labor Party promises to take the companies back if it wins the next general election. That debate is gaining urgency because Prime Minister Margaret Thatcher must call an election by May 1984.

At London Transport, officials refuse to take sides on the merits of Mr. Shephard's plan, but they have calculated that it would cost them £10 million a year in lost revenue.

Mr. Wetzel maintained that the minibuses would grab business from London Transport on lucrative central routes, while leaving the public company to provide for the fringe.

(Continued on Page 11, Col. 3)

U.S. Is Reportedly Reconsidering Export Drive

Reuters

BRUSSELS — The United States has indicated that it is hesitating about loosening its huge farm surpluses on world markets following European warnings that such sales could spark an agricultural trade war, diplomats said Wednesday.

Recent contacts between Gaston Thorn, president of the European Commission, and U.S. Vice President George Bush have suggested that Washington was still considering whether to complete two much-publicized sales, the diplomats said.

The transactions, which have been under discussion for several weeks, involve the sale of subsidized butter and cheese to Egypt and cereals and other foodstuffs to Iraq.

Both those countries are regarded as traditional European markets for agricultural products. But over the last two months the U.S. administration has signed a major four-year deal with Egypt and offered \$250 million of credit to Iraq.

Mr. Thorn and Vice President Bush talked about the long-running dispute over farm subsidies earlier this month, and the diplomats said they had remained in close touch.

On another trade issue, EC officials said the Community may seek a cut this year in the minimum lending rates that Western industrialized countries charge on credits used to boost their exports, officials said Wednesday.

They said the community's Executive Commission had recommended that the 10-nation trading bloc press for a reduction of around 1/2 of a percentage point during negotiations on the credit rates that start March 1 in Paris.

The community agreed to increases of up to 1.15 point in the interest charges last year after acrimonious negotiations with the United States came close to starting a trans-Atlantic credit war.

The minimum rates for government-backed export credits are negotiated annually within the 24-member Organization for Economic Cooperation and Development.

At present the rates vary from 10 percent offered to the world's poorest countries to a maximum of 12.4 percent charged on credits to nations such as Brazil and the Soviet Union.

Officials said any changes would not be applied until May. A cut in rates would ease the acute debt-financing problems of many developing and newly industrialized countries.

The officials said that the community's proposal had not been adopted yet by community governments but that several nations had indicated initial backing.

Commercial interest rates have fallen substantially since the present charges were agreed upon last July, cutting the value of the subsidy given on export credits.

Steel Suit to Be Refiled
The U.S. steel industry announced Wednesday it will refile with the government a petition

aimed at limiting Japanese steel exports to the United States, United Press International reported from Washington.

The American Iron and Steel Institute and eight domestic steel companies had conditionally withdrawn the petition Jan. 31 to see if U.S. Trade Representative William Brock could, in talks with Japanese officials, resolve the issue.

David Roderick, chairman of the institute and of U.S. Steel, said a recent visit to Japan by Mr. Brock

had resulted in "well-meaning but vague words" and, therefore, the companies would reinstate their complaint with Brock's office. Mr. Brock now has until Monday to decide whether to initiate an investigation of the petition.

In its petition, first filed Dec. 15, the industry charged that a "secret agreement" between Europe and Japan, limiting Japanese steel exports to Europe, had resulted in diversion of Japanese steel to the United States.

The suit also asked the court to prevent American Airlines for 10 years from communicating with any other airline company on any matter relating to pricing.

Mr. Sheehan said the department was not contemplating filing criminal charges.

American Airlines, President Sued in Alleged Price Plot

The Associated Press

WASHINGTON — The federal government charged Wednesday that American Airlines and its president tried to fix prices with Braniff Airways three months before Braniff ceased operations last year.

The charge came in a civil antitrust suit that also asked that American's president, Robert L. Crandall, be barred from running the company for two years.

The suit was filed in U.S. District Court in Dallas, home base of Braniff, which suspended operations and filed for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code last May.

Assistant U.S. Attorney General William F. Baxter said that the suit charged that Mr. Crandall, on Feb. 1, 1982, proposed during a telephone conversation with Howard Putnam, president of Braniff, that Braniff raise its prices 20 percent.

The complaint said that Mr. Crandall assured Mr. Putnam that, if Braniff were to raise its fares by that amount, American would raise its rates "the next morning."

The suit alleged that Mr. Crandall and American tried to get a monopoly in a number of markets served out of the Dallas-Fort Worth hub.

American, based in Fort Worth, had no immediate comment.

The suit asked an injunction that would prohibit the airline for two years from employing Mr. Crandall as president, chief executive officer or in any other position

with authority for setting ticket prices.

Mr. Crandall also would be barred from serving any other airline in such capacities for the same time.

Mr. Baxter said the injunction was requested to stop such alleged efforts in the future by American and Mr. Crandall and that remedies might be sought in other, unspecified cases involving similar conduct.

The complaint quoted from an alleged conversation between Mr. Crandall and Mr. Putnam but did not specify how the words of the conversation were obtained. Mark Sheehan, a spokesman for the Justice Department, would not say whether the conversation was taped.

The complaint quoted Mr. Crandall as saying that "it's dumb as hell" for the airlines to pound each other over routes that they both served "and neither one of us making a dime."

Mr. Putnam, according to the complaint, protested that American had entered markets that Braniff was serving and "I can't just sit here and allow you to bury us without giving our best effort."

Mr. Crandall replied that Eastern and Delta airlines had done the same thing for years in Atlanta, to which Mr. Putnam replied, "Do you have a suggestion for me?"

The complaint alleged that this conversation then ensued:

Mr. Crandall: "Yes, I have a suggestion for you. Raise your goddamn fares 20 percent. I'll raise mine the next morning."

Mr. Putnam: "Robert, we..."

Mr. Crandall: "You'll make more money and I will too."

Mr. Putnam: "We can't talk about pricing."

Mr. Crandall: "Oh, ... Howard. We can talk about any goddamn thing we want to talk about."

The suit also asked the court to prevent American Airlines for 10 years from communicating with any other airline company on any matter relating to pricing.

Mr. Sheehan said the department was not contemplating filing criminal charges.

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BUSINESS BRIEFS

European Firms to Maintain VTR Complaint Against Japanese

BRUSSELS (AP) — Philips, of the Netherlands, and Grundig, of West Germany, probably will not withdraw their antidumping complaint against Japanese makers of video tape recorders for several weeks, a consultant representing the two companies said Wednesday.

First Japan must live up to a promise, made Feb. 12 to European Community officials, to restrain VTR exports to the EC, said the official of the consulting firm Ireco.

The firm represents Philips and Grundig — both electronics manufacturers — and several distributing companies in the antidumping action, which asserts that Japan has been selling VTRs in the EC at prices of up to 27 percent below those charged in Japan.

Japan has promised to curb VTR exports to the EC for three years, with the 1983 ceiling set at 4.55 million units. The Japanese also said they would adjust selling prices to EC levels.

Goodrich Posts Loss for 1982

AKRON, Ohio (AP) — B.F. Goodrich reported Wednesday a loss of \$32.8 million, or \$2.43 a share, for 1982. Company officials attributed the loss to recession and restructuring costs. Goodrich sales in 1982 were slightly more than \$3 billion, down from \$3.2 billion.

For the 1982 fourth quarter, the company reported a net loss of \$33.7 million, or \$2.05 a share, on sales of \$687.8 million, compared with the year-earlier \$32.4 million, or \$1.69 a share, on sales of \$753.5 million.

Goodrich said Tuesday that it will stop erosion of its industrial-rubber-products business by spending millions to make the operation competitive again. Goodrich, as part of a \$50-million restructuring program for its industrial products division, will spend more than \$14 million during the next two years at its Akron complex, said John D. Ong, chairman.

Fraser Urged to Stay at Chrysler

DETROIT (NYT) — The likelihood of Douglas A. Fraser, the president of the United Auto Workers union, remaining on the board of Chrysler apparently has increased.

A union announcement Tuesday said that 58 local union officials from Chrysler plants had voted to "request Mr. Fraser to change his plans" and keep the seat even after he retires as president in May.

If Mr. Fraser were to retain his board position, it could resolve a conflict between Chrysler and the union. Mr. Fraser has said that the seat belonged to the union and that his place should go to another UAW official after his retirement from the union. But Chrysler executives have insisted that Mr. Fraser was invited to join as an individual.



Douglas A. Fraser

IBM's Cary Quitting as Chairman

ARMONK, New York (NYT) — Frank T. Cary, 62 years old, is resigning as chairman of International Business Machines. The board named John R. Opel, 58, currently president and chief executive, to succeed him.

In an announcement Tuesday, the company named John F. Akers, 48, president. He had been senior vice president and group executive of the information systems and communications group. Paul J. Rizzo, 55, a director and member of the corporate office, was named vice chairman, a position that has been vacant since 1977.

Mr. Cary will remain a member of the corporate office, the body that IBM said provides overall direction to the company. He also will be chairman of the board's executive committee.

Swiss Propose Wider Disclosure

BERN (Reuters) — The Swiss government proposed Wednesday a new law to force companies to disclose more information on their earnings and assets and oblige them to report when they draw on their hidden reserves.

The Justice Ministry said the current law, enacted in 1936, contained loopholes that could lead to abuses.

The proposed revision is designed to give shareholders better protection by allowing them access to more details of a company's performance and by setting out how they are to be represented on management boards, it said.

Company Notes

Racal Electronics said the Florida workforce of its Racal-Milgo subsidiary has been cut by a further 300, to 3,200.

Gaz de France, the French state gas agency, said its losses in 1982 rose to 2.5 billion francs (\$367.6 million) from 950 million in 1981.

Daewoo, of South Korea, has signed a \$55-million credit agreement with a group of seven banks led by International Bank of Singapore. Marubeni America and National Can pleaded guilty in federal court to scheming to circumvent illegal dumping of foreign steel products in the United States.

Atari to Move Most Production To the Far East

New York Times Service

NEW YORK — Atari said that it would shift most of its manufacturing — the production of its home computers and video games — from plants in Sunnyvale and San Jose, California, to Hong Kong and Taiwan. The move, intended to reduce costs, would cost the jobs of about 1,700 workers.

The announcement, which was made Tuesday, came only weeks after Atari had said that its 1982 earnings were sharply lower than had been expected. A week ago, Warner Communications, Atari's parent company, had said that it expected that factors that had caused its "fourth-quarter disappointment" in earnings to extend into the first half of this year. Warner had reported that its 1982 fourth quarter net income had plunged to \$33 million from the year-earlier \$75.8 million.

Atari employs about 7,000 workers in the United States and about 11,000 worldwide. It currently has about 2,000 employees in the Far East and plans to increase this by about 1,000 to meet the new production demands.

Atari is battling Texas Instruments and Commodore International for market share in the home-computer market. It is a battle characterized by deep price-cutting, and Atari is facing stiff competition from low-cost home computers that can be used both as personal computers and for video games.

Gold Options (prices in \$/oz.)			
Price	May	Aug.	Oct.
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510	17.20-17.30	40.00-42.00	42.00-44.00
550	12.00-12.10	30.00-32.00	32.00-34.00
590	7.00-7.10	20.00-22.00	22.00-24.00
630	2.00-2.10	10.00-12.00	12.00-14.00

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Caracas Extending Currency Controls

Compiled by Our Staff From Dispatches

CARACAS — Venezuela said Wednesday that it has extended foreign-exchange controls to stop a flight of capital out of the country.

In addition to extending a suspension of foreign-currency sales until Friday, the government also will establish a two-tier exchange rate for the bolivar, said Finance Minister Arturo Sosa.

Mr. Sosa said the controls, last used 18 years ago, were a result of heavy capital outflows and were necessary to enable Venezuela to continue meeting its foreign obligations.

The government suspended foreign-currency sales Monday and Tuesday after foreign-currency outflows rose to nearly \$150 million daily in the latter part of last week, forcing Mr. Sosa to cut short a tour of international banking centers in which he had sought a moratorium on Venezuela's short-term debt until 1985. Venezuela has \$18 billion in external debt, \$8.7 billion of which is due this year.

Mr. Sosa said details of the controls would be announced in the next few days but that the existing rate of 4.3 bolivars to the dollar would remain for foreign-debt repayments, essential imports and the oil and iron industries. For all other transactions, including those made by individuals, the government would either fix a new rate or allow the bolivar to float, he said.

Last Monday, the government said foreign-exchange sales would be suspended Feb. 21 and 22 due to what it called a capital flight.

Mr. Sosa said that during the extended suspension of foreign-currency sales, the central bank would be allowed to continue such operations necessary to make payments on behalf of the central administration, autonomous institutes and state companies.

Banking sources speculated that the new rate for nonessential transactions could be six to nine bolivars to the dollar. In the event of a floating bolivar for nonessentials, the rate could well drop initially to

Uruguay Seen In Loan Talks

Reuters

BUENOS AIRES — Uruguay is negotiating a \$750 million medium-term loan with a group of 25 foreign banks, banking sources said Wednesday.

One of South America's smallest countries, Uruguay has a population of about 3 million but external debts of \$3.8 billion, among the continent's highest on a per capita basis. It reached agreement last month with the International Monetary Fund for a \$400 million standby loan.

About \$550 million of the new loan would be used to refinance debts of the central bank and the Banco Hipotecario de Uruguay and also those connected with two hydroelectric projects, the sources said. The rest would be fresh loan capital available for other uses.

Uruguay started to run into debt difficulties late in 1982, with declining oil revenues and persistent capital flight.

Dome Chief Seeks to Retire

The Associated Press

CALGARY, Alberta — John P. Gallagher wants to step down as chief executive officer of Dome Petroleum and has asked the struggling energy concern to seek his replacement, Dome announced Wednesday.

Mr. Gallagher, 66 years old, who has been chairman and chief executive since 1974, told the company's directors that his departure as chief executive would come either at Dome's annual meeting or at a special meeting of shareholders expected to be held in the latter half of this year.

The special meeting, which Dome said could be held as part of the annual meeting, is for shareholders to consider whether a bailout plan proposed by Dome's bankers and the Canadian government should be implemented.

Meanwhile, Dome said Mr. Gallagher asked its directors to appoint a committee that would seek candidates for chief executive.

Mr. Gallagher has not made any decision about retiring as chairman, said Dome spokesman David McAssey. Before becoming chairman, Mr. Gallagher had been president of the company since 1973.

Mr. Gallagher had told the company before its wanted to leave the chief executive's post, but deferred his decision when Dome's problems grew more serious in 1982, Mr. McAssey said.

Now, Mr. Gallagher "believes this matter is close to resolution" and decided to step down, McAssey said.

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The Battle for London's Streets

(Continued from Page 9)

areas. "They just want the cream," Mr. Weitzel said.

Moreover, he said, when London Transport was formed in 1933 the idea was to coordinate a crazy-quilt system operated by numerous independent companies. Rather than return the business to such "pirates," he said, the government should spend money to improve the present system.

Faced with such opposition, Mr. Shephard said he is unlikely to win approval at the inquiry. But, while he will not say so, Mr. Shephard probably has some hope that his plan will be rescued by the Conservative government. The Transport Ministry has the power to overturn London Transport's decisions on such matters.

Coming down on the side of private enterprise, noted Jonathan Roberts, a transport lobbyist in London, "would not be inconsistent" with the government's policy.

In any case, Mr. Shephard said,

more than philosophy is at stake. He intends to make a profit, too.

Mr. Shephard's company, Associated Minibus Operators Ltd., or AMOS, would start with about 400 vehicles, running along four routes encircling London. He thinks the minibuses, built on Ford Motor chassis, would cost £10,000 to £12,000 each, about the cost of a London taxi.

Soon, Mr. Shephard said, other minibuses companies probably would get into the act. "Since I'm challenging a monopoly, I'm not asking for an AMOS monopoly," he said.

He thinks London could eventually support more than 10,000 minibuses.

The double-deckers, he said, need not disappear, however. The big buses are suitable for the busiest routes, he argued. As for London Transport, he finds it vastly overstated and slow to adjust services to public demand.

Mr. Shephard formed his ideas

about buses as a colonial official in Hong Kong.

During a strike by bus drivers in the late 1960s, he invited into central Hong Kong minibuses drivers who were operating illegally in the countryside. The yellow minibuses have been barreling down Hong Kong's streets ever since, darting around and between the double-deckers run by China Motor Bus and Kowloon Motor Bus.

Neither the minibuses nor the big buses offer a smooth ride, but both are profitable. Mr. Shephard conceded that what passes on the chaotic streets of Hong Kong might not find favor in the more sedate atmosphere of London. Perhaps, he said, the minibuses would have to use London Transport stops in central London rather than stopping wherever they are hailed.

But Mr. Shephard insisted that there is a lesson for London in Third World transit systems. He described his plan in a telephone interview from Kingston, Jamaica, where he was advising the government on a plan to turn the entire bus system over to private companies.

Another good example of private enterprise, Mr. Shephard said, is offered by the 24-seat buses that serve Buenos Aires. "Pity we went to war with the Argentines," he said.

City of Stockholm Raises \$50 Million Eurobond

International Herald Tribune

PARIS — The city of Stockholm came to the Eurobond market for the first time Wednesday with a \$50-million issue lead managed by Morgan Stanley International.

The issue, co-managed by PK Banken, is for 15 years, the coupon has been set at 11½ percent, and it has been priced at 99½ to yield 11.59 percent. Bondholders have the right to put the issue after 10 years.

A spokesman for Morgan Stanley said the issue was being received "reasonably well" and was trading at a discount of 1½ percent within the 2½ percent commission.

Also in the dollar sector, Prudential Funding Corp. of the United States is raising \$100 million with a 10-year Eurobond, led by Hambros Bank.

The bond is issued in the name

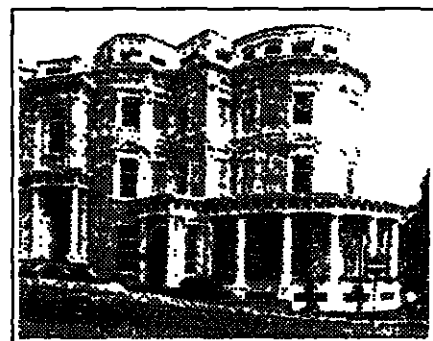
of an overseas funding subsidiary, and carries a support agreement with Prudential Insurance. The issue has been priced at par, carries a coupon of 10½ percent and is not callable.

Other lead managers are Bache Halsey Stuart Shields, Credit Suisse First Boston and Salomon Brothers International.

A Hambros spokesman said that the issue was being well received and that continental investors were responding favorably to the high-quality name.

There was one new Deutsche mark issue, by Mount Isa Finance, a subsidiary of MIM Holdings of Australia. The mining group is raising 100 million DM through a seven-year Eurobond lead managed by Commerzbank. The issue carries a 7½ percent coupon and is priced at 99½ to yield to 7.72 percent.

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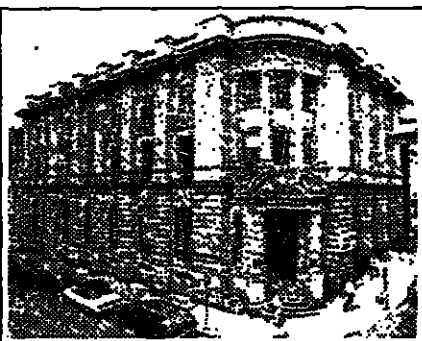
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Reagan Says Banks Should Cut Rates

By Robert Rowen
Washington Post Service

WASHINGTON — President Ronald Reagan said Wednesday that "interest rates can and should" come down some, but whether that happens "is up to the banks," and not to the Federal Reserve Board.

At a breakfast meeting with a group of reporters in the State Dining Room of the White House, Mr. Reagan said that he saw "no reason why the banks can't bring those interest rates down another notch or two."

With inflation as low as it is, he said, "I believe that interest rates can come down more and should because it (the current high rate) leaves the real interest rate higher than is necessary to cope with inflation."

Mr. Reagan also said that the economic summit scheduled for

Williamsburg, Virginia, at the end of May may consider the question of a new international monetary conference to deal with the question of exchange rate relationships, and other matters relating to the current international economic crisis.

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Mr. Reagan also said that the economic summit scheduled for

rates to compensate for losses that have been incurred on bad international and domestic loans.

And the president also restated the administration's annoyance at the banking lobby was attempting to get Congress to repeal last year's legislation requiring withholding on interest and dividends for federal taxes.

Mr. Reagan's remarks on interest rates were in the context of an up-beat account of economic prospects, and a prediction that recovery was under way. "The economy is looking better," he said. "We've expressed concern that high real interest rates would retard recovery."

In saying that a further decline in interest rates is "up to the banks," the president argued that "we have a low discount rate, and I think there's no reason why the banks could not bring those interest rates down."

He rejected the notion that the Federal Reserve Board should attempt to "force" interest rates lower. "We have come down from that 21.5 (percent prime rate) to an 11 (percent). The discount rate is lower than that. But I think it is up to the banks. And I do not know of

what the Fed could do to force that. They cannot give orders," he told a reporter.

At another point, Mr. Reagan said, "They're very concerned over there (at the Fed) about the road they're walking, and how narrow it is, or in giving the wrong signal, or a signal that might be taken wrong, by the financial markets. That they might in some way set back this recovery — that they agree is taking place."

His general tone about the Federal Reserve seemed to be on the complimentary side. "I must say... that the Fed has been co-operating. We've been getting along very well after some violations," a thought and phrase that he failed to finish. Earlier in the administration, there had been some abrasive exchanges between the Treasury and the Fed over the management of money policy.

Asked what sort of considerations entered his mind as he considered whether to reappoint Paul A. Volcker when his term as Fed chairman expires this summer, Mr. Reagan begged off, responding, "My platter has been too full to even think about it."

Steel Talks Advance in W. Germany

By Robert Rowen
Washington Post Service

FRANKFURT — Fears of an imminent collapse of West Germany's third largest steel firm, Klöckner-Werke, ended Wednesday as progress was reported in talks to restructure the company's steel industry.

A Klöckner spokesman said the company, fully endorsed remarks on its financial position made on Wednesday by Economics Minister Otto Lambsdorff, who said the steel company's liquidity was sound and there was no question of bankruptcy.

Mr. Lambsdorff also reported some progress in talks with Klöckner and two other steelmakers, Hoescht and Salzgitter, on signing a "Ruhr group" — one of the giant units called for in an independent report on restructuring the country's steel industry.

He said Hoescht and Salzgitter, which last week refused talks with Klöckner, had now agreed to open negotiations with Klöckner.

On the Frankfurt bourse Wednesday, Klöckner shares rose to 33.3 Deutsche marks (DM) from 32.5 DM Tuesday.

The economics minister said all these agreed to study the viability of Klöckner's hot strip mill at Bremen, one of the main obstacles to formation of the Ruhr group.

Klöckner has been fined heavily by the European Commission for exceeding community output quotas at its Bremen plant, but it is fighting the ruling in the courts because it believes that Brussels has inflated the mill's capacity wrongly.

Earlier this week, the economics minister said talks on formation of the second "Ruhr" group with the Thyssen and Krupp companies were progressing well.



Otto Lambsdorff

AEG Financial Signs Starting to Brighten

By Wieland Schmitz
Reuters

FRANKFURT — The financial position of West Germany's troubled electrical group, AEG-Telefunken, has improved just in time for a crucial vote by creditors, company and bank sources said Wednesday.

Quoting unpublished figures, the sources said AEG expected an operating loss of about 1 billion Deutsche marks (\$400 million) this year, slightly more than its 1982 loss of 960 million DM.

But 800 million DM of this year's loss would come from one-time restructuring costs, and profitability should be restored in 1984, they said.

AEG's 23 principal banks, which also hold its shares, are due to meet on Friday, and some sources said they might agree then to support its plan to pay only 40 percent on outstanding debt.

The plan is due to be presented

Gold Again Falls As Dollar Climbs

Reuters

LONDON — Gold prices fell almost \$20 an ounce for the second consecutive day Wednesday while investors bought dollars as a safety measure in the face of uncertainty over anticipated oil price cuts.

Gold, which recently traded at a two-year high of more than \$300 an ounce, was fixed at \$470.25 in both London and Zurich Wednesday afternoon after trading earlier at around \$468.

It closed Tuesday at \$468.50 an ounce and has now declined nearly \$40 in two days.

On New York's Comex, gold lost more than \$12.50 an ounce and closed at \$468.

Dealers said the stronger dollar and expectations that lower oil prices would reduce inflation and boost the U.S. economy helped to push gold down.

They said speculators were also selling gold as the price fell below levels they were willing or able to support.

Money dealers said the dollar was being helped by a feeling that it was a currency of refuge given uncertainty over the effects of an anticipated cut in oil prices.

Gold, normally a haven for investors in times of political or financial trouble, had risen after the failure of OPEC members in January to reach agreement on price and production policies for their oil.

Dealers said, however, that investors appeared to feel the benefits of an oil price cut for the world economy outweighed the impact it would have on the economies of oil producers with heavy debts such as Mexico, Venezuela, Nigeria and Indonesia.

The dollar peaked around 2.4370 Deutsche marks in early afternoon but lost a little ground, still closing higher at 2.4225, compared with 2.4197 Tuesday.

The British pound, meanwhile, slipped in early trading against the dollar but gained against other European currencies after its sharp losses Tuesday.

It rallied to close at \$1.5237 after slipping earlier to \$1.5133, compared with \$1.5217 at the London close Tuesday.

U.S. Futures Prices

Feb. 23

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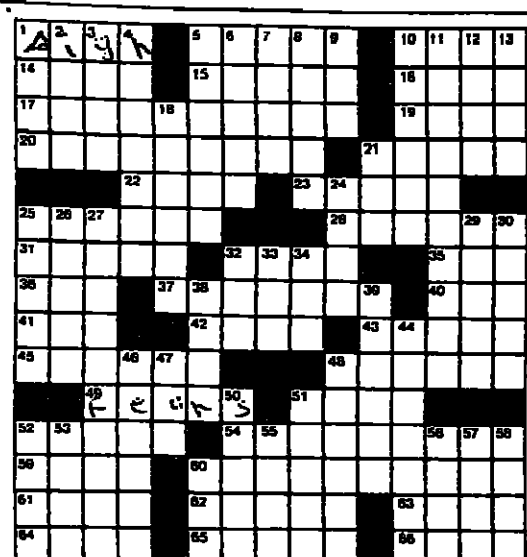
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CROSSWORD

**ROSS**

1 Take a deep breath	51 Kind	21 Bryan
5 Malay-fowl	52 City in Puerto Rico	21 Lawyers' org.
10 Lead-pipe	54 Like Henry or Franklin	24 Pulitzer Prize
14 Greek music	59 Arabian bigwig	25 socialist
14 Greek music hallis	60 Buffalo meat?	25 Reagan's Sec. of Treasury
15 Valley —, Pa.	61 In home yesterday	26 "Joe"
16 Money drawer	62 Jefferson's sign	27 Dime-novel era?
17 Menu	63 Famed dissertator	28 Horner or Sprat
19 Recorded proceedings	64 Louvre attraction	29 U. S. C. G. group
20 Europe	65 "The Wreck of the Mary —"	32 Réunion is one
21 Alan from N. Y. C.	66 Hollow stem	33 Bors or Gawn
22 Cupid and McGree		34 Dwindle
23 Verboten	DOWN	35 Eternally
25 Work in shifts	1 Desert explored by Sven Hedin	39 A modern Orator
28 Faux pas	2 Tennis term	40 When rakes are seen in suburbia
31 Post Cato held	3 Kind of confidence	46 Fiat
32 What "video" means	4 New Guinea port	47 New Guinea port
35 Begin to use	48 Marlow	49 Gloom
36 Garnet or peridot	5 Any-in-law	50 Mark for Ambery
37 "Coppelia" composer	6 Seats for several	51 Elsie home is on the range
40 Give — whirl (try)	7 Part of Q. E. D.	52 Latin laborer
41 Had brunch	8 Heronlike bird	53 Atlanta arena
42 "dedicate, or part of it"	9 Apomatonx figure	55 Air for Amara
43 Great epistol	10 — David	56 Wall covering
45 Feticuine Hem	11 In the — (just when needed)	57 Netman
46 Bearers of symbols of authority	12 Choir voices	58 Unlike David at Florence
	13 Gen. Marshall had one	60 Possession of pet rocks, e.g.

WEATHER

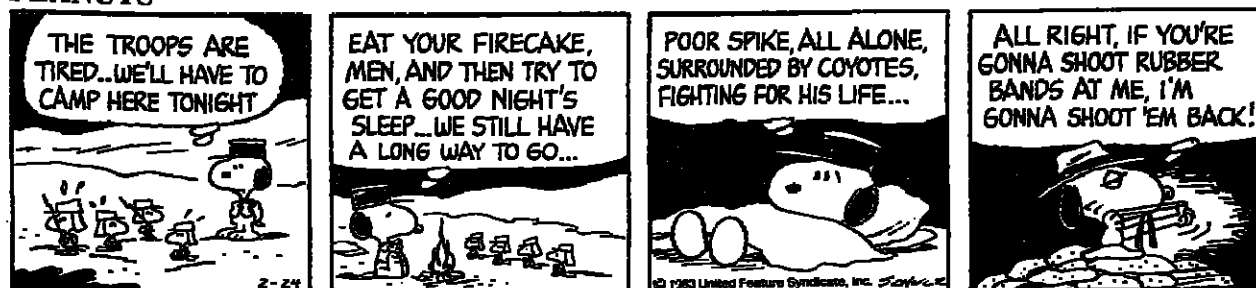
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ADVERTISEMENT
INTERNATIONAL FUNDS

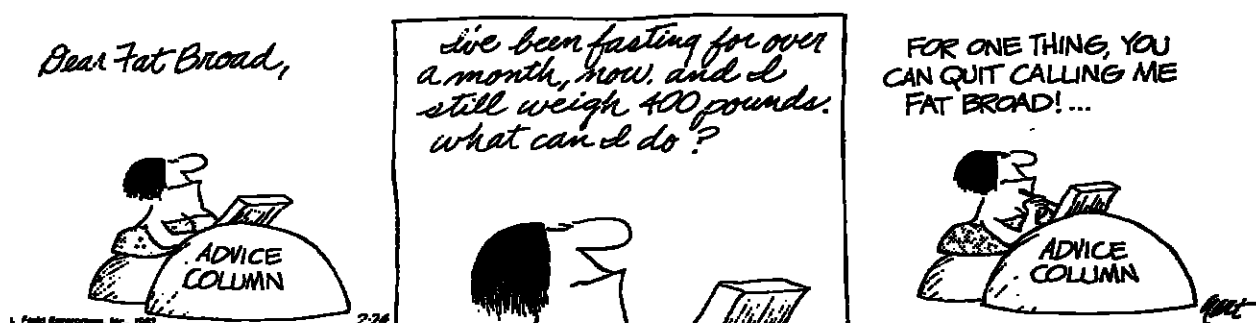
The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following marginal symbols indicate frequency of quotations supplied for the FHT: (d)—daily; (w)—weekly; (m)—monthly; (b)—bi-monthly; (r)—regularly; (i)—irregularly.

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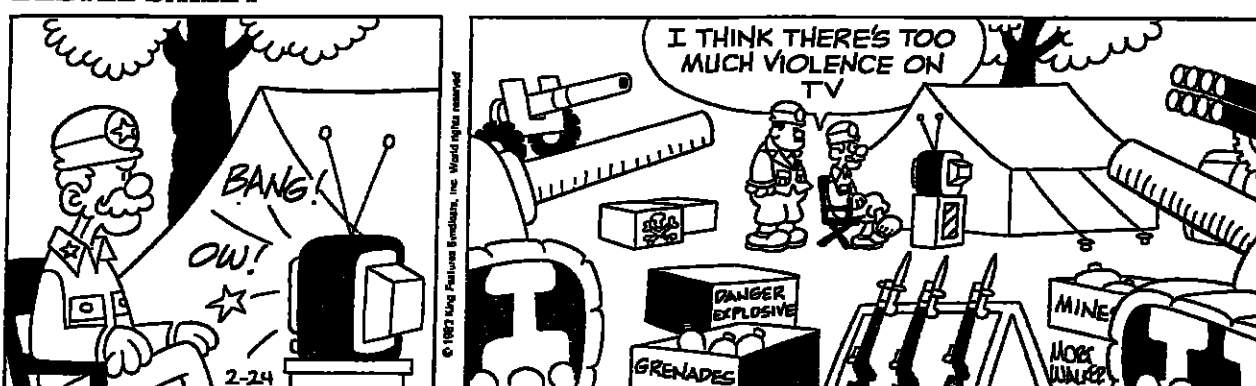
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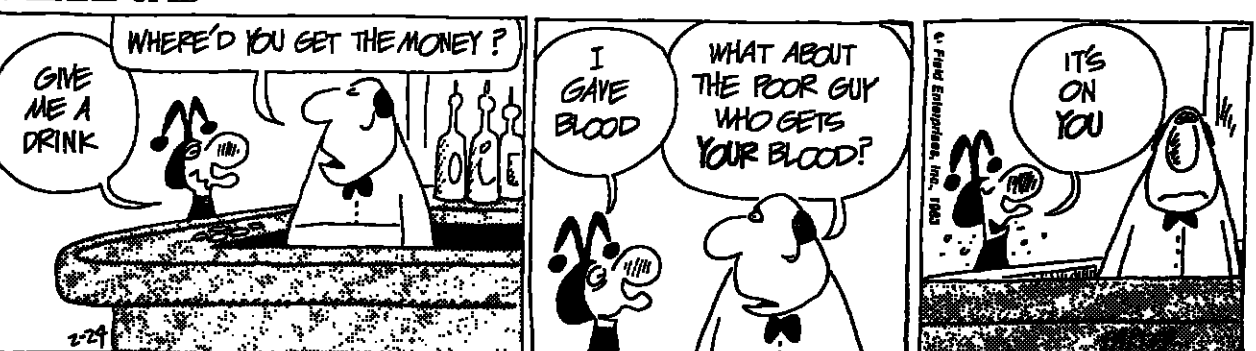
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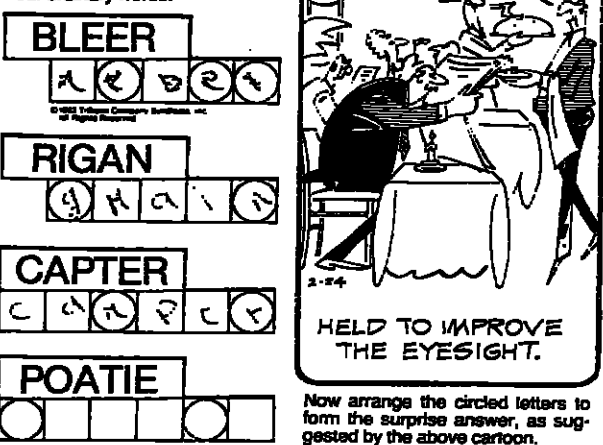



REX MORGAN



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Answer here: A  (Answers tomorrow)

Yesterday's Jumbles: BEFIT CABLE PASTRY MARMOT
 Answer: Oddly enough, even a female crook would be this—A "MALE-FACTOR"

DENNIS THE MENACE



BOOKS

THE AFRICANS

By David Lamb. 363 pp. \$17.95.
Random House, 201 East 50th St., New York, N.Y. 10022

Reviewed by Alan Cowell

W ITH "The Africans" David Lamb has produced a timely and timely event that comes through many of the distorted images propagated by Africans themselves, by the continent's apologists and by its detractors. Lamb spent four years as the correspondent for the Los Angeles Times in Nairobi. During that time he logged 300,000 miles through 48 African countries, and he has seen and heard enough to preserve some hope. There is no mean achievement.

"The Africans" invites comparison with John Gumbo's "Inside Africa," published 30 years ago, when the countries covered in Lamb's travels were largely under colonial rule. Significantly, some of the issues are the same: that the West must stop ignoring Africa, and that what the continent needs most is not guns but education. The coincidence is depressing testimony to the failures of three decades of political change and economic decline. And it also points up a fundamental contradiction in Lamb's book: With time, he concludes, Africa will find itself and assert itself, yet the evidence presented in his book is that centralized power at the top and lethargy in the nether regions of society would seem to indicate that Africa's time, so far, has been as wasted as its vast agricultural and mineral resources.

Unlike John Gumbo's study, with its country-by-country approach, Lamb's combination of travelogue and analysis is much more impressionistic. Written with humor, sympathy and a journalist's

The bloodshed in Zaïre raises the question of just how secure the foreigner's tenure is in present-day Africa. Once the white technician, his presence supported by a distant government interested in economic gain, becomes identified by disconsolate Africans with an oppressive regime, then neutrality is forfeited and the outsider's frail immunity is shattered. The foreigner becomes the target of a wrath that could have been avoided if the same distant governments used their influence — as Lamb suggests they should — for the common good, not the perpetuation of an elite. In Kenya's abortive uprising, the lesson was the same: Racism (in Nairobi directed against the Asian community) becomes a powerful and significant force once a class of different color is associated with the wealth that is shared by the elite and not by the great, often inferior, mass of Africa. The issue is important, and it will become more so as African living standards decline while those of foreigners supported by their own economies in faraway Europe and America are main-

held up in "The Africans" as a model, has transformed itself into a one-party state, and its stable, peaceable image was irrevocably lost last August in an attempted coup. In Zimbabwe the picture does not seem so bright as it did two years ago. Predictions, as Lamb acknowledges, are a perilous pastime in Africa.

Lamb's perspective is a broad one, in that he essentially castigates Africa's elitist leadership, sympathizing with the oppressed black masses. The outsider's view of Africa is perennially troubled by the conflict between the rose-tinted perception held by some Africans and the glaring evidence that things are not as they would depict it. Furthermore, there is often a distortion in the perceptions of the way both black and whites rule Africa, with the result that white minority rule is inherently — as bad, while black elitist rule is forgiven, particularly by Africans themselves. Lamb has avoided both those traps. He has perhaps underplayed the importance of the African structure bequeathed to Africa by colonialism — the roads and bridges and dams and railroads, the mines and the estates. And he is perhaps too optimistic in his belief that the eventual holocaust in South Africa will leave any spoils to be shared. But his picture of a continent is an honest one, which will give pause to many.

Alan Cowell is the correspondent for The New York Times in Nairobi.

BRIDGE

By Alan Truscott

HALF a century ago Ely Culbertson had conquered the market in bridge books. Millions of players regarded him as the great authority, and awaited his pronouncements with eager interest. But in 1936 he tried to sell them a

There were very few takers, but among them were the Austrian players who used them in defeating the Culbertson team a year later in

Aking bids have been popular among tournament players in many parts of the world. In the United States, many experts find them helpful in responding to pre-emptive openings when slam seems possible.

IF the responder is weak in two side suits, he would never consider a slam. With one weak suit he can bid it, asking the opener to define the holding in that suit. A one-step raise to the asking bid shows no first- or second-round control, two steps shows second-round control, and three steps shows first-round control. In the diagrammed deal, the asking bid came into action.

An opening four-bid, especially when vulnerable, is usually based on an eight-card suit. The opening was therefore slightly eccentric but not unreasonable.

North ventured five diamonds, asking about that suit and the response of five no-trump, showing a first-round control committed the partnership to slam.

The slam is somewhat shaky, but it cannot be defeated if South reads the position correctly. A diamond

♠ KQ83
♥ Q7
♦ Q6
♣ B843

♠ 762
♥ Q7
♦ KJ1082
♣ KQ82

SOUTH (P)

♠ 6
♥ VJ109843
♦ A975
♣ 8

Both sides were vulnerable.

	South	West	North	East
4V	Pass	Pass	5V	Pass
BNT	Pass	Pass	5V	Pass
Pass	Pass	Pass	5V	Pass

West led the crude line

NORTH
 ♠AJ1094
 ♥K65
 ♦43
 ♣AJ7

WEST
 ♠KQ63
 ♥Q73
 ♦Q6
 ♣10843

EAST
 ♠762
 ♥V
 ♦KJ1082
 ♣KQ952

SOUTH (D)
 ♠5
 ♥AJ109843
 ♦A975
 ♣6

Both sides were vulnerable.

South	West	North	East
4♥	Pass	5♦	Pass
5♥	Pass	5♥	Pass

West led the spade nine.

SPORTS

TAC vs. Hungry Agents: A Running Battle

By Jane Leavy

Washington Post Service

WASHINGTON — The most intense rivalry in running is not taking place on the roads or the track. It is a battle of competing interests between The Athletics Congress (TAC), the sport's national governing body, and the International Management Group (IMG), the Cleveland-based management company that made its name and fortune in tennis and golf.

Last month Alberto Salazar, an IMG client, told The New York Times that TAC officials offered him \$60,000 to run in a marathon for which they had been hired as consultants. TAC says it will sue unless he retracts the statement.

Early in February the International Amateur Athletic Federation (IAAF) refused to sanction a prize money marathon promoted by IMG. Salazar, the world record holder, and Robert De Castella, the second-fastest marathoner in the world and another IMG client, were scheduled to run in the race in Brisbane, Australia, a day before the Boston Marathon — the qualifying event for the 1983 U.S. world championship team.

"If we allow this to continue, how can we maintain control of the sport?" said John Wigley, an IAAF spokesman in London. "This is a challenge to the coordinated structure we've established."

"This is the first salvo in a what could become a seven-day war," said Craig Virgin, the first runner to sign with IMG, in 1980. "It's what we all knew would happen if IMG became powerful enough."

Virgin is no longer represented by IMG. Its roster of athletes includes 14-world class runners among them Bill Rodgers, Allison Roe, Eamonn Coghlan and Sidney Maree.

Athletes are allowed to maintain their amateur status as long as their earnings are put into trust funds monitored by TAC. The liberalization of the rules in December 1981 — and the emergence of road running as a lucrative sport for athletes, agents, sponsors and television networks — provided the opening and impetus for IMG to become a power in the sport.

The power struggle is a natural consequence of a sport in transition.

Jeff Darman, past president of The Road Runners Club of America, cited several factors — "superbly trained athletes who want to be paid well for what they do, promoters and agents who package athletes and events... and a governing body trying desperately to keep the genie in the bottle and balance its needs with those of the IAAF and the International Olympic Committee."

Virgin, vice chairman of TAC's men's long distance running committee, says that "the only true amateurs left are the officials and administrators who run TAC on a voluntary basis."

Because ultimately they must find an accommodation, the principals vacillate between diplomacy and confrontation. Olan Cassell, executive director of TAC, "regards them as the enemy," said Don Kardong, president of The Association of Road Racing Athletes.

Cassell declined an interview, but said a TAC spokesman, "We don't view anyone as the enemy. Today IMG is trying to disrupt TAC. Tomorrow we may be allies."

Drew Mearns, IMG's vice president in charge of running and fitness, says the company doesn't seek to control the sport — that it is simply trying to conduct business as usual, representing clients in the best possible way.

But he added: "If they want to fight, we have to fight. ... IMG, or a company like it, will win in the long run because athletes have the right to be represented."

Said Kardong: "It's getting vicious." After winning the New York City Marathon last fall, Salazar said he hoped to run in Boston and qualify for the U.S. marathon team that will compete in August's world championships in Helsinki. Later he changed his mind, saying he had decided for training reasons to run only one marathon this spring and summer.

During this time, plans were being made for an early-March marathon in Los Angeles on the 1984 Olympic course. The sponsors wanted Salazar as a lure for national television. They hired TAC as a race consultant for a fee of \$100,000. Only \$25,000 was received before the race was postponed.

TAC is no longer affiliated with the race, which will be run in April.

Bob Bush, interim chairman of the Los Angeles Marathon Organizing Committee, said a verbal commitment that Salazar would run was withdrawn after the date of the race was changed. Bush confirmed he made an offer for Salazar in the \$30,000 range.

At the TAC convention last December, Salazar's representatives requested a bye that would qualify him for the world championship team without running in Boston. Salazar said the request was made with the understanding that if it was granted he would not run any marathon until Helsinki. The request was rejected. Soon after, plans were announced for the Brisbane race on April 17.

On Jan. 3, TAC's Cassell issued a memo saying he would enforce IAAF rules against the use of agents for the purposes of negotiations with meet directors. IMG and its list of athletes were specifically cited. The IAAF has issued a directive saying it is against the rules for agents to set up events or negotiate with directors about them.

The concern is that IMG will use its athletes to control existing events and to create others.

"They came on very fast, moved into the arena, representing the cream of the crop of athletes," he said.

"This is the first salvo in what could become a seven-day war — what we all knew would happen if IMG became powerful enough."

marathoners and milers in quest of controlling that end of the sport," said Fred Lebow, director of the New York Marathon, a sometime client of IMG. "They are trying to create events around them, disregarding what I believe to be in the best interests of the sport."

"But they are doing a good job for individual athletes."

On Jan. 25, in a letter to a running magazine, TAC trust fund lawyer Alvin Chriss criticized Salazar for his decision not to run in Boston and Helsinki, where there is no prize money. "Apparently," wrote Chriss, "Alberto is not willing to give up two years in a row of running a marathon without a paycheck."

Salazar, who intends to try to qualify for the 10,000-meter event, was furious. "They're saying I'm an unpatriotic money-grubber," he said.

He then charged Cassell and Chriss with offering him \$50,000-60,000 to run in the Los Angeles Marathon. Sources say TAC refuses to negotiate with IMG on the role of agents until Salazar retracts his statement, which he has refused to do.

He has since said he was mistaken in saying that Cassell was involved and in saying that the offer was made directly to his coach, Bill Dellinger.

Dellinger said no financial offer was made to him, but someone from TAC "called and said if he ran, Olan would use his influence to count it as a qualifying race. ... I think an offer was made and it doesn't mean TAC wasn't involved."

Mearns said TAC's Chriss "talked about money and financial benefit. He never specifically mentioned a sum of money. He initiated the discussion between me and the organizer and then withdrew. He certainly was aware of the offer."

Some runners view TAC as an organization that has done little for them and now wants to cash in on them. They argue that TAC wants to act as their defacto agent. For example, if a company goes to TAC with a commercial proposal for an athlete, TAC receives 10 percent.

IMG also has its critics, some of whom say it, unlike TAC, represents only the elite. Others do not like its business practices.

Sources say IMG receives as much as 25 percent of athletes' earnings. Given IMG's roster of top-flight athletes, "they can make or break an event," said Lebow. They can also demand large appearance fees. "Some people have told them to get lost," said Howard Scherz, meet director for the Millrose Games.

"Others have said, 'This is what I can do.'"

Al Franken, meet director for an invitational competition in Los Angeles, says IMG told him it would cost in the \$8,000 range to have Salazar at his meet. Mearns said the figures are not accurate "but not far off."

Runners are reluctant to criticize anyone for getting paid whatever he can command. But some say that IMG's practices on behalf of the elite is unfairly distorting the pay scale for all.

After it became clear Salazar would not run in Los Angeles, Kardong said Chriss told him that originally Salazar was going to receive \$50,000 and that sum would now be made available for prize money.

"Mearns said, 'That's the American way,'" recalls marathoner Benji Durden. "I said, 'Killing the golden goose isn't necessarily the American way.'"

"Did we destroy tennis and golf and motor sports?" Mearns asks.

The answer is IMG changed them. That is the fear in an already much-changed sport. "They're starting to implement the strategy they use in tennis and golf," said Virgin. "They've got the chips and are starting to play them. In 1981, TAC started to worry. Now they're panicking and there's all this nasty political stuff with the athletes caught in the middle."

Gretzky, Adapting, Remains the NHL Exemplar

By Robert Facher

Washington Post Service

CALGARY, Alberta — Department stores in Western Canada feature an incongruous line of pajamas bearing the emblems of Notre Dame and the University of Texas.

The number on the back of each pajama top is more understandable — 99.

A recent survey of shoppers at an Edmonton mall revealed that many could not identify the city's mayor.

But everyone knew of the man who has made the No. 99 famous throughout Canada — Edmonton Oilers Wayne Gretzky.

Gretzky can accomplish just about anything, as he proved when his achievements overcame the anti-hockey bias of Sports Illustrated and earned him that magazine's sportsman of the year award.

The honor is indicative of the increased awareness of Gretzky in the United States, where recognition for hockey players understandably lags behind the attention in Canada.

"I'm popular here, because hockey is Canada's No. 1 sport," Gretzky said. "In the U.S., where there is so much else going on, it's been slower to catch on. But they know my name a little bit more now than last year."

Last week, Gretzky appeared in two of the NHL's current disaster areas, Pittsburgh and Buffalo. Although neither arena was sold out,

the crowds of 14,868 in Pittsburgh and 15,894 in Buffalo were among the best of the year.

Following a season in which he rewrote the pages of the National Hockey League record book with 92 goals, 120 assists and 212 points, there was speculation that Gretzky had raised the scoring record so high even he would be unable to challenge them. There was wonder what he could possibly do for an encore.

Gretzky quickly provided the answer, as he scored at least one point in this season's first 30 games to eclipse Guy Lafleur's consecutive-game scoring mark of 28. At present, Gretzky holds or shares 28 NHL individual records.

As the regular season moves toward its climax, with Edmonton once again a runaway winner in the Smythe Division, it appears that Gretzky will surpass his assist record.

He scored the lone Edmonton goal in Tuesday night's 4-1 loss to Calgary, and after 62 games has 51 goals and 88 assists for 149 points. That averages out to 2.40 points a game, a slight decline from last year's record 2.65.

The only other seasonal figure above two points a game in NHL history was Gretzky's 2.05 in 1980-81.

The decline in goal production is not a sign that Gretzky has peaked in that area. Rather, it is another stage in the continuing cycle of the opposition's attempts to stop him.

In his first two NHL seasons, Gretzky was not a phenomenal goal-scorer, although nobody was knocking his respective totals of 51 and 55. But he preferred to operate behind the enemy net, artfully feeding teammates cutting through the slot.

Opponents finally learned to pinch Gretzky when he assumed that position, so last season he adapted — by moving into the slot and shooting off-center. Since Gretzky can shoot as well as he can pass, the result was devastating.

This season, predictably, opposition defenders converged on the slot. So Gretzky widened his field of operations, sometimes moving back to his old spot behind the net but also hugging defenders into the corners, whence he can flip accurate passes to teammates in shooting position.

While Gretzky's goal total has declined, two of his frequent wingers, Jari Kurri and Glenn Anderson, already have surpassed their career NHL highs, with 34 and 39 goals, respectively.

Center Ken Linseman, facing secondary rivals while Gretzky attracts the top checkers, has 29 goals, a career mark. As a team, Edmonton is averaging 5.29 goals a game, higher than last year's 5.21 and within striking distance of the NHL mark of 5.38 set by Montreal in 1919-20.

"I take what they give me," Gretzky said.

"Any team that wants to send

two men on me is going to leave somebody open, and if I can get the puck to him, with the shooters on this team it'll probably be a goal."

"How I play the game depends on how the other team is playing me."

Gretzky, 22, has been awarded the Hart Trophy as the NHL's most valuable player in each of his three seasons in the league.

However, there are signs that some observers are tiring of his dominance.

Gretzky won the Lady Byng

NHL Standings

Wales Conference
 Patrick Division
 W L T GF GA Pts
 Philadelphia 29 12 7 282 176 65
 NY Islanders 28 16 10 220 174 74
 Washington 28 18 14 209 211 72
 NY Rangers 26 26 7 228 221 70
 New Jersey 11 27 12 146 252 35
 Pittsburgh 13 41 7 193 280 33

Adams Division
 Boston 29 12 7 282 176 65
 Buffalo 27 19 10 209 214 64
 Detroit 27 22 12 226 280 44
 Vancouver 22 22 11 218 225 51
 Hartford 16 29 4 176 297 38

Campbell Conference
 Norris Division
 Chicago 28 16 13 282 210 83
 Minnesota 32 14 13 280 217 77
 St. Louis 19 32 12 219 246 64
 St. Paul 18 30 10 221 247 60
 Detroit 16 32 13 196 249 45

Smythe Division
 Edmonton 29 12 7 282 176 65
 Calgary 29 12 7 282 176 65
 Winnipeg 24 20 8 233 262 56
 Los Angeles 21 20 10 226 264 52
 Vancouver 22 22 11 218 225 51

Tuesday's Results
 Minnesota 4, Detroit 2 (3 shots) 2 (24).
 Smith (19); Oronick (31), Larson (77).
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 A.J. Smith (26).
 Winnipeg 2, N.Y. Islanders 2 (Walters 14), Mathis (21); Tonnell (27), Boney (42).
 Calgary 4, Edmonton 1 (Rabenhorn 38).
 McDonald 2 (52), Russell (101); Gretzky (51).
 Los Angeles 5, Boston 3 (Galt 10), Smith (4), M.A. Murphy (14), Ruskowski (17), Dionne (40); K.Crowder (29), B.Crowder (14).
 Vancouver 4, St. Louis 3 (Smith 26), Hinko (18), Holward (14), Lutz (52), Mello (11), Kirtson (3); Lambeck (6), Zuse (4), Sutter (54).
 Buffalo 2, Detroit 1 (2 shots) 2 (24).
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